



CALIFORNIA STATE PUBLIC WORKS BOARD

GRAY DAVIS, GOVERNOR

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STATE PUBLIC WORKS BOARD
February 8, 2002

MINUTES

PRESENT:

Ms. Annette Porini, Chief Deputy Director, Department of Finance
Mr. Barry Keene, Director, Department of General Services
Mr. Bob Garcia, Chief Financial Officer, Department of Transportation
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office
Mr. Juan Fernandez, Director, Public Finance Division, State Treasurer's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member, Darrell Steinberg
Assembly Member Kevin Shelley
Assembly Member Sally Havice
Senator Richard G. Polanco
Senator Betty Karnette
Senator Wesley Chesbro

STAFF PRESENT:

James, Tilton, Administrative Secretary, State Public Works Board
Deborah Cregger, Legal Counsel for PWB, Department of General Services
Madelynn McClain, Executive Secretary, State Public Works Board
Karen Finn, Principal Program Budget Analyst, Department of Finance
Jim Lombard, Principal Program Budget Analyst, Department of Finance
Kathryn Amann, Principal Program Budget Analyst, Department of Finance
Lisa Mangat, Budget Analyst, Department of Finance
Jim Martone, Budget Analyst, Department of Finance
Genevieve Frederick, Budget Analyst, Department of Finance
Kathryn Grosz, Budget Analyst, Department of Finance

OTHERS PRESENT:

Senator Joesph L. Dunn
Assemblyman Lou Correa
Irene Anderson, Department of General Services
Candace Melehani, Department of General Services
Syed Alam, Department of Mental Health
Pamela West, Military Department
CPT Kevin Desmond, Military Department
Tim Shelly, Senator Karnette's Office
Robin Park, TPL
Michele Clark, TPL
Bob Bowen, Department of General Services
Nina Holman, Department of Corrections
Pat Davison, CABPRO
Jeff Cutler, Truckee Donner Land Trust

Michael Lim, State Treasurer's Office
Warren Westrup, Department of Parks and Recreation
Derek Shaw, Department of General Services
Blessy Van Zee, Department of General Services

CALL TO ORDER AND ROLL CALL:

Ms. Porini, Chairperson, Chief Deputy Director, Department of Finance at 10:00 am called the meeting to order. Mr. Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES:

Mr. Tilton reported staff had reviewed the minutes from the January 11, 2002, meeting and believe them to accurately reflect the Board's proceedings at the meetings and recommended approval.

Hearing no other objections, the minutes of the January 11, 2002, meeting were unanimously approved.

BOND ISSUES:

Mr. Tilton reported that there were two bond items.

Item #1, Department of General Services, Department of Mental Health, Energy Conservation Revenue Bond Projects. This item will authorize the sale of the Lease Revenue Bonds as identified in Attachment A.

We received a letter from the Joint Legislative Budget Committee on February 7, 2002, providing criteria for review and approval of Energy Conservation Revenue Bond Projects. Based on those criteria, all of the projects identified in Attachment A should be approved except for the Department of Mental Health project at Napa State Hospital. I would like to bring to your attention that a number of these projects are at facilities currently financed with lease revenue bonds. These energy bonds will be secondary to the original lease revenue bonds. We have checked with the Bond Counsel and the rating agencies and believe that this secondary position will not negatively affect our ability to sell these bonds.

Staff recommends approval of Bond Item #1 amended to delete the Department of Mental Health project at Napa Hospital.

A motion was made by Mr. Keene, and by Seconded Mr. Fernandez to adopt Bond Item #1.

Bond Item #1 was adopted by a 5-0 vote.

Item #2, University of California, Los Angeles Campus, UCLA Replacement Hospitals. This item will authorize the sale of lease revenue bonds for the project.

- The authorizing legislation allows UC to use the "asset transfer" mechanism for securing these lease revenue bonds. Under asset transfer, the facilities used as security for the bonds are not the buildings using the bonds, but other completed buildings. The value of the facilities used as security must be equal to or greater than the value of the bonds sold.
- UC has proposed 5 buildings on the UCLA campus to be used as assets for the UCLA Replacement project.

- RESD is reviewing UC's proposal to ensure that the value of the buildings used as the "assets" to secure the bonds is sufficient, including a review of the overall condition and replacement value of the buildings

Staff recommends approval of Bond Item #2.

A motion was made by Ms. Aronberg, and by Seconded Mr. Garcia to adopt Bond Item #2.

Bond Item #2 was adopted by a 5-0 vote.

CONSENT CALENDAR:

Mr. Tilton noted that the Consent Calendar covered Items #3 through #34. We are pulling the following items from the Consent Calendar and moving them to Action Items. Item #4, Department of General Services, Judicial Council, Fourth Appellate District New Courthouse and Item #16, Department of General Services, Department of Parks and Recreation, Mill Creek. In addition, we are pulling Item #26, Department of the Youth Authority, Southern California Youth Reception Center/Clinic Specialized Counseling Program Beds to allow for time to address concerns raised by the Legislative Analyst's Office.

The **revised consent calendar** covers Items #3, Items #5 through #15, Items #17 through #25, and Items #27 through #34.

Mr. Tilton indicated that in summary, the revised consent calendar proposes ten requests to approve preliminary plans, six requests to authorize site selection, four requests to authorize acquisition, two requests to authorize acquisition of an easement for public access and passive recreational use through acceptance of an Offer to Dedicate, three requests to approve an augmentation, one request to approve the use of Inmate Day Labor, one request to recognize scope change, one request to recognize project as being complete, one request to approve redirection of funds within the appropriation to reflect actual expenditures, and one request to correct the scope description, Consent Item #16, as approved at the April 13, 2001, PWB meeting.

There are four 20-day letters in your package. Item #3, Office of Emergency Services, Headquarters and State Operations Facility, approve an augmentation. A 20-day letter was sent to the Legislature on January 18, 2002, without comment. Item #20, Military Department, Bakersfield, Union Armory, recognize scope change. A 20-day letter was sent to the Legislature on January 18, 2002, without comment. Item #21, Department of Forestry and Fire Protection, Lassen-Modoc Ranger Unit Headquarters, approve an augmentation. A 20-day letter was sent to the Legislature on January 18, 2002, without comment. Item #26, Department of the Youth Authority, Southern California Youth Correctional Reception Center and Clinic, Recognize a scope change. A 20-day letter was sent to the Legislature on January 18, 2002. We received comment back from the JLBC, and as a result, we are pulling this item to allow for more time to address their concerns.

Staff recommends approval of the **revised consent calendar** Item #3, Items #5 through #15, and Items #17 through #25, and Items #27 through #34.

A motion was made by Mr. Keene, and by Seconded Mr. Garcia to adopt the Revised Consent Calendar, and to approve Agenda Item #3, Items #5 through #15, and Items #17 through #25, and Items #27 through #34.

The revised consent calendar was adopted by a 3-0 vote.

ACTION ITEMS:

Mr. Tilton noted that there were four action items. Item #4, Department of General Services, Fourth Appellate District Courthouse. This item will authorize site selection, which will authorize DGS to complete necessary due-diligence and negotiations. This item has been postponed for the last two months to give Senator Dunn the opportunity to address concerns he had with the acquisition. In an effort to provide information to the Senator regrettably there have been a number of mis-communications of information to the Senator. None of those mis-communications were intentional. The Senator currently has concerns about the price being discussed and the methods used by the DGS in developing the states appraised value and has asked for the item to be postponed until next month. Irene Anderson, DGS Acquisition Manager, and Deborah Cregger, Legal Counsel to the PWB, are here to answer any questions the Board may have about specific methodology in developing various appraisals.

Staff recommends approval of this action to approve site selection. The acquisition will come back to the board for final approval at a later meeting. At that time, the item may be approved if it is consistent with legislative authorization, is within budget, and is the purchase price does not exceed fair market value.

Ms. Porini asked Ms. Cregger when an appraisal becomes a public record. Ms. Cregger replied that the appraisal becomes a public record when all the properties have been acquired and escrow has been closed. Ms. Porini noted that this point in time, the appraisal is not a public record. Ms. Porini then asked Ms. Anderson to explain the different types of appraisals. Ms. Anderson replied that she would like to give a brief history of her background. I am the Manager of the Real Estate Acquisition Unit for DGS. I was previously the Manager of the Appraisal Unit from May 1999 to January 2000. I am a commercial appraiser by training and was a contract fee appraiser from 1988-1995. I was employed for 2.5 years by the Office of Real Estate Appraisers as a Senior Appraiser Investigator for the Compliance Division. My State Certification with the Office of Real Estate Appraisers is current, I have the highest certification available from that office, Certified General.

All State certified appraisers are bound by the Uniform Standards of the Professional Appraisal Practice (USPAP) and allows three recorded types – restricted, summary, or self-contained (the most detailed and generally thickest reporting type). The appraisal process is the same for any of these three reports; it is just the format of the report and amount of data you are giving to the client that differs. So the self-contained report is the largest report and is like a dissertation. Most people prepare a summary report when they are doing a full narrative. The restricted report restricts distribution to the client because it doesn't contain very much information basically has conclusions but not a lot of background information. This is the type of report I requested for this property because I didn't want the appraisal unit to waste a lot of time preparing a lengthy report. In addition to that, USPAP allows for either a complete report or limited report. There are three approaches to value that must be considered in a complete report – the cost approach, the sales comparison approach and the income approach. If any of those approaches are not applicable they are not used, but an explanation of their exclusion is required. When you do a restricted report you are excluding one or more of the three approaches that are valid approaches. This is what I requested in this particular case to limit the valuation to the income approach, since it was an income producing property and typically the cost approach is not as heavily relied upon. So USPAP does allow for departure from using all three approaches but in order to do so, the appraiser has to invoke the departure rule to create a limited report instead of a complete report and it is up to the appraiser, not the client, to decide whether the departure would be appropriate and not misleading.

Mr. Keene was not clear on the cost approach. Ms. Anderson replied that she requested that we do an income approach because that is typically the most reliable approach for an income producing property. So she opted not to do the cost approach. The sales comparison was not

applicable because there are no similar types of property that you could compare the detention center with. If you have a special piece of property like this county facility, you are not going to find ten different sales of this type, you probably won't even find one to compare it with to help develop a value. So the sales comparison approach wasn't an appropriate option. You wouldn't expect to see a wide variance between these three approaches when you do an appraisal. If you do find a huge difference, you have probably done something wrong. So in this case, I asked them to do a restricted report and it is up to the appraiser to decide if it is appropriate or could be misleading and if they were doing something that would violate USPAP. The rule that allows the appraiser to determine if departure is appropriate states:

"This rule permits exceptions from sections of the Uniform Standards that are classified as specific requirements rather than binding requirements. The burden of proof is on the appraiser to decide before accepting an assignment and invoking this rule that the scope of the work applied will result in opinions or conclusions that are credible. The burden of disclosure is also on the appraiser to report any departures from the specific requirements."

Ms. Anderson reported that both of these conditions were met and the appraiser made the determination that it was acceptable to go forward.

Ms. Porini thanked Ms. Anderson for her report and stated that the Board would hear from the support and opposition of this item. Mr. Tilton said that what Ms. Anderson just described that there were two appraisals completed on this acquisition. Ms. Porini asked if the Board could hear from Assemblyman Correa.

Mr. Correa introduced himself as the Assemblyman from the 69th district, which includes Santa Ana and stated that he is in strong support of this project. I am in strong support of the continuing negotiation with the City of Santa Ana for the acquisition of this specific piece of real estate for the Court of Appeals. Yesterday, I was in the District with Secretary Maria Contreras-Sweet for the inauguration of the 55-freeway expansion and there was a lot of talk about the positives of this expansion of this freeway saving commuter time and efficiency. This is what this project is all about. The proposed site that has been identified essentially sits in central Orange County and central Santa Ana, the heart of Orange County, the center seat of county government right next door to the newly built Ronald Reagan Federal Courthouse, as well as the local courthouse of Orange County. So if you look at this project, please remember that you looking efficiencies and commuter time. In addition to that we are building light rail that will be coming right in front of this proposed area in the future. So again, I am in strong support of you moving ahead with this project and I know that Senator Dunn has some concerns and I believe that we can move ahead with this project and address any concerns that the Senator and those may have.

David Ream, the City Manager of the City of Santa Ana, where this project would be located, introduced himself. I have been the City Manager for the past 15 year and I have been with the city for 23 years total. We strongly recommend the staff recommendation to move ahead on this particular project. The City of Santa Ana faces many challenges. It has the highest percentage of foreign-born residents of any major city of the United States and it has the youngest median age of any city in the US. Despite these challenges we are also the safest city in the US. We provide high quality services to our residents and we do that because we have a strong economic development program and a strong tax base. One of the things that is part of our marketing in economic development effort that we believe in very strongly is that we are the capital city of Orange County. We have the civic center and we are the government center. So when it comes time to select a site for the new State Appellate Court, which has been long located in the City of Santa Ana, we want to be very aggressively involved in this and we want to do everything we can to accommodate a first class site for the court so they will remain in the City of Santa Ana and also be something that we can market and be proud of. The judges

turned down nine other sites in the City because they didn't feel that they really met the needs of the appellate court in terms of what they were looking for. In order to try and ensure that they remain in the City of Santa Ana, we offered to try and facilitate a site in the Civic Center, right where City Hall, the State Office Building, the Federal Office Building, the Federal Courts, the County Hall of Administration and we felt that it would be attractive from an institutional state to the appellate court. Mr. Ream passed out a few pictures of the proposed site. He then described the three pictures and the proposed sites. He pointed out that the site is directly across the street is the new Federal Courthouse. He also described the current building on the proposed site that would be demolished. We really value the appellate court and what it can be to our concept of being the civic center for Orange County. You can always buy a site that is cheaper. We had nine sites that the appellate court didn't look favorably upon. This particular site is a unique site.

Ms. Aronberg asked Mr. Ream that Senator Dunn is here today to ask that the Item be put over for a short time, would you have a problem with that. Mr. Ream replied that he would because the item has been continued now for several months and were just very much concerned that as time goes by it becomes more difficult. We have worked very hard on this project and we think that we are helping facilitate a first class site. I am sorry that Senator Dunn doesn't agree at this point and he has been a pleasure to work with over the years and he is a fine Senator for Santa Ana, but we would really like to move ahead. Ms. Aronberg then asked if there was a specific reason that you would problem with just a short delay. Mr. Ream replied that they have just worked on this for so long and it has been a difficult road and we have already had two month long continuances this would be the third. From the city's perspective, we have a partner with the county here and their are lessee in the facility that we are going to have to cancel the lease with in order to move forward with demolition. We feel that we have done everything we could to accommodate the appellate court judges and the state real estate department and we would request that we move ahead on this site. Ms. Aronberg said that there was no specific reason not to hold the item. Ms. Porini noted that from the Public Works Board staff perspective, I talked to the Director and we prefer to move ahead at this point in time because the action that is going to be taken is to allow General Services to begin to negotiate with the city on price. This is not actually purchasing the properties or the close of escrow; it allows us to begin to move forward. Assemblyman Correa commented that there have been two appraisals done on this property. On top of that, we have a situation in our district were we really need some good paying jobs. The reason of this whole project is that we have a badly overcrowded court of appeals right now. The longer we wait the more it will affect the efficiency of the court of appeals. Senator Dunn has legitimate issues and we can continue to address those issues, however, I don't think that would be consistent with moving ahead with the process of negotiating a price with the City of Santa Ana on this acquisition. This is not the final it is to move ahead with the negotiations.

Ms. Porini asked if anyone in the audience was from the court. The President of the Judicial Council was present. Ms. Porini asked if they were in support of this item. The President replied the their position was that they needed the appellate court it is a critical project and they have already lost a year in the process because of an inability to acquire a site. The Governor's proposed lease revenue bonds for 2002-03 to move on with the project, and our fear is the delay of the site acquisition could delay the overall project. To the extent that a four-week delay to the next Board meeting wouldn't delay the overall project, we would not object to that.

Ms. Porini then invited Senator Dunn to speak in opposition of the item. Ms. Porini noted that Senator Karnette's office was here earlier to request a delay.

Senator Dunn said he wanted to respond to the questions of the State Controller. The bottom line is that there is no harm in continuing this for four weeks. No one, at any time, has stated any reasons why this can't be put over, yes a third time. My request today is very simple. It is to put this matter over. It is not to discuss the merits of this purchase. I live in Santa Ana, my kids go

to school there, I represent Santa Ana, and I love Santa Ana. The site that is in question is a great site for the appellate court, superb. But that desire to not override all of our primary responsibilities, which is to the taxpayers of the State of California. I want to focus in on exactly why approving this today will cause damage to the California taxpayers. Before I zero on that though, I want to make a comment. Under normal circumstances, it would seem that when a member makes a request out of professional courtesy, when there is no overriding harm, it would be granted. It seems for whatever reason we have abnormal circumstances here. When I made inquiries about that and why this has to go forward now, I contacted Santa Ana, and they told me to contact Department of General Services. When I talked with DGS people, 2 different people said that Santa Ana has gone around you to wire this deal. The process of the appraisal is as accurately described by almost everyone virtually the beginning of this and there are many more steps that this great project needs. But as identified by the DGS people, there are three methods to be used in an appraisal: income, comp, and cost basis methods. Each one has its own strengths and weaknesses; each one will probably come up with a different value for a given property, sometimes higher, sometimes lower, given the circumstances. But, all the appraisal does is establish the parameters for our negotiations. That is exactly where the problem lies and why I am here today. If the starting parameters for the negotiations are artificially high, the ultimate loser is going to be the taxpayer. We have to ensure that those beginning parameters, are accurate, and the three appraisal methods are the way we establish those parameters. It is not suggesting that those parameters are the bookends of the negotiations, but they at least establish the guidelines so the taxpayer can know if they paid a fair amount or not. Are the two appraisals before you potentially artificially high, the answer is yes. In my letters, which was sent to the Board as well, and it relayed to be frank some outright misrepresentations, some outright hiding of information that I personally found to be upsetting to say the least. But that is clearly stated in my letter, no sense that we need to spend any more time on it now. Sufficed to say lets go to that detail that I referenced. In the first appraisal, it used one method out of the three, the income method. When I made inquiries as to why, the report said because at the request of the client. We still don't know who the client is; you know what the references are in my letter to the inconsistent information I've got on that. But regardless, it was limited to the income method. I made a request at that time. Let's continue this until January and do a complete appraisal, and in fact when we met face to face with representatives from the Board and DGS in January when the Legislature was back in session, I was assured that it was going to happen. In fact as we know, a second appraisal was done. Did it then cover the comparable and cost basis methods, no, it only covered the cost basis method. I then asked why aren't we doing the comp method. If you read the report, no comps are available. The problem with that position is to do a cost base analysis you need to have preliminary information on the comps. In the detail of the cost basis analysis, you will find some comparables. Now, is my concern legitimate? Maybe the comparable method is going to drive a value similar to the above \$3 million that occurred on both the income and cost basis method. If you look at the preliminary data on comp comparison that is embraced within the cost basis method, you will find that the land value for this piece of property is suggested somewhere around \$1.3 million, Almost \$2 million under the value of the income method and the cost basis method. I am not suggesting that that is the final answer under the comp method, but it again heightened my concern that if we are establishing parameters for the negotiations, we need to do all three methods. I have asked for that since December, I have been promised it and it still has not been delivered and when I have asked time and time again, there has been no one that has said we can't do it, I only get we won't do it. All I have been asking is let's just complete this process to make sure we do everything that we can to protect the taxpayer. The way this developed by being offered as a donation first, created the problem, and now Santa Ana needs \$2.6 million to build a replacement parking structure. To me, it appears that we are avoiding doing the comp method because it may bring a value in substantially less than the \$2.6 million. What is at issue here is taking care of the California taxpayers. What would it take to do this, a couple of days? There is no harm or foul to this entire process if we take a couple of days. It has been interesting behind the scenes with all sorts of allegations about the motivations here, including mine, but whether we are elected

officials, appointed officials, or anyone working in this process, I think we all understand our number one fiduciary duty is to the taxpayers. All I am asking is let's complete the three different approaches to the appraisal so that we are confident that our parameters are correct, because the risk to the taxpayer that we may overpay on this project. I again request that this matter be put over until the next Board meeting so we can complete a full appraisal.

Mr. Keene stated that we have heard testimony that selection for the method of determination. The three methods are not necessarily always used or always appropriate. Why is the comp method appropriate here and what comparables did you use to arrive at your much lower figure. Senator Dunn replied that the information was in the second appraisal it is in the backup data in the cost basis method on page 13 of the second appraisal. It is entitled, comparables sales chart, and it was not a figure I made up it is in the second appraisal. Ms. Porini asked that Senator Dunn not disclose any figures of the appraisal as it might damage our ability to negotiate. Senator Dunn replied that in response to Mr. Keene's question, why do we have to do the comp method? I don't know whether we should or shouldn't and that is one of the reasons why I asked this week, please give me a few days to go out and have an independent appraiser review it under a confidentiality agreement to give me a second opinion. I was denied that request. I would not be here if I had that chance to get an outside appraisal and it wasn't different.

Ms. Porini asked Ms. Anderson if she was the client in question. Ms. Anderson responded yes. The client is the person who requests the appraisal, I am the Manager of the Acquisition Unit and staff to the PWB for every acquisition, I request the appraisal from the appraisal unit and is addressed to me, the client. The appraiser is bound by confidentiality under USPAP and will not disclose the appraisal to anyone but the client. That is why Eldon Fillion, our manager of the appraisal unit said he would not disclose the appraisal to anyone but the client. Our policy and procedures do not allow us to disclose to the property owner a copy of the appraisal. It is our property for us to negotiate with. Senator Dunn keeps referring to the comps in the report as if it is the "comparable approach". When you do a cost approach, there are two components to it. The first component is comparable sale approach for the vacant land. You have to know what vacant land costs in order to do a cost approach when you estimate how much it would cost to reproduce it. So you go out and find vacant sites that are comparable and then you estimate how much it would cost to reproduce what is there right now on the subject property. That is the "comparable sales approach" that he is referring to, vacant land as a component of the cost approach. The comparable sale approach for improved properties is not appropriate in this appraisal because you will not find sales of this type of property because it is not an everyday commodity. The appraiser made the determination that there are no comparable sales for this special use property; it is not construction like an office building. If you wanted to convert it to another use that has a market such as an office building, it would not be cost effective, that makes it special use. The only valuation approaches that are appropriate are the cost approach and the income approach.

Senator Dunn replied that the appraising is an art it is not a science. I would think that if we were really honoring our primary duties to the taxpayer that we go out and try to get the comp because if it showed a value substantially lower, we would want that to negotiate. Let the other side tell us that our comp assessment is too low or unrealistic. We are not trying to just do a deal here, although I agree that the project in its target there in Santa Ana, but our client isn't the state it is the taxpayer and that is what this is all about. I can not understand why we will not take this simple step, other than my concern that there is an end gain to get to, a courthouse in Santa Ana. We can't get to that end gain if we don't do all the right moves.

Ms. Anderson replied that you couldn't do the sales comparison approach unless you have a number of recent, highly comparable sales to compare it to. There are no approved sales of this type of property that we can compare it to. So you cannot perform the sales comparable

approach and if you would like to submit this to the Office Real Estate Appraisers to see if we have done anything wrong, I know that they will fully support our decision. Senator Dunn said that if in fact the comments of the appraiser are correct and you simply cannot do it, it is physically impossible, although I question that since we are proposing to tear down the building and turn it into vacant land before we build an appellate court. If that is true, that is exactly why I have asked for a few days to get a second opinion on that. If you are right and a second opinion will verify it.

Ms. Anderson said she had no problem with having an outside appraiser come in because there are no sales to compare this sale to. Ms. Porini asked Ms. Anderson to respond to a comment made by Senator Dunn that because we are tearing down the structure or proposing to tear down the structure, how do we deal with that? Ms. Anderson replied and stated that the appraiser looked at that also, and the thing is they have a guaranteed income stream that makes the building have value. The city has offered to remove the building and lose that income stream in order to provide property to us. That property is valuable as it stands improved, if we were to acquire the property as improved we have to tear it down ourselves and incur that additional cost. The City of Santa Ana has agreed to offer it to us and take that upon themselves to remove the building and save the taxpayers. Ms. Porini stated that the fact that there is an income stream is why you originally requested the income approach. Ms. Anderson said that that is the most reliable approach when your valuing income property. The appraiser felt that the cost approach, when he did perform the cost approach, he felt that it actually gave us a very strong indicator of value when he reconciled the approaches. They are both close in value and the appraiser did his job properly. Senator Dunn said that with respect to the sale it seems that it is clear that we are trying to get Santa Ana \$2.6 million, which is the cost of a replacement parking structure. Ms. Porini noted that we weren't trying to get them any dollar amount we are trying to set a ceiling for the appraiser because we have a responsibility to the taxpayers and to the constitution to the state we are setting the ceiling to guarantee that there is no gift of public funds in terms of that. Senator Dunn replied that the problem with that is an individual I respect and consider a friend, the mayor, is still telling everybody that Santa Ana is donating the land to the State. Therein lies the seed of why we are here today and why I am trying to be extra cautious about protecting the taxpayer. To make sure that nobody, in hindsight can come back and say that this was an orchestrated deal by somebody that is all I am trying to do. Why, because what we are building is an Appellate Court. If we were building a warehouse, maybe the heightened scrutiny can be a little different. But an appellate court, the hallmark of justice and fairness and we have got to protect its integrity above all else.

Mr. Keene said that he thought the request was for a simple delay and that didn't trouble me very much. I am concerned about the precedent that this would set. Not in delays, but in requiring that all three methods be used. Anybody can come in for any case and argue that all three methods must be used and if they haven't that there is no efficiency in the appraisal method, when in fact it is part the appraisal method to decide what is applicable or not. Now most of the people that are here before us say that the appraisal is not to high, but to low. If those people who say that the appraisal is to low, come in and argue in each case that you have got to have every method used or it is not valid, then you have a situation in which you are not helping the taxpayers but putting them at risk. So I am concerned about the precedent this sets, not about the time delay. Senator Dunn replied that that was a good point because I agree with you and I am not here to start a lets look over the shoulders of these wonderful professionals you see sitting before us. The reason I am still here today on this issue is when I made the first inquiries, I was lied to, documents were withheld, and when the second appraisal came out, I wasn't even advised of it, I have to discover it accidentally. I am not told this issue is back on the calendar, either. All of this is done in a way that just heightened my concern that this was a closed deal. Now, instead of having the folks come to me and lay it all out, then I wouldn't be here today. But now I have lies and misrepresentations and withheld documents that bring me hear today in difficult circumstances. I am making a courtesy professional request to spill this over one more

time so that can satisfy my doubts to ensure that nobody can second guess any point in this process.

Ms. Anderson replied that when Senator Dunn made his request for the second appraisal on December 6th, (Eldon Fillion, the appraisal manager, must review and approve all appraisals before they are completed - they are not approved until he has reviewed them), the appraisal had been written, but not yet reviewed by Mr. Fillion. On December 6th, when Senator Dunn's assistant called and spoke with Eldon Fillion, who was not aware of the appraisal being completed and had not reviewed it and also stated that he would not release the appraisal because he is bound by confidentiality and only releases it to the client. So, the appraisal was not reviewed until a week later on December 12th, so there were no lies regarding the completion of the appraisal. Senator Dunn stated that he did not get the appraisal until January. Ms. Porini said that it is safe to say that things didn't happen in a fashion that satisfied Senator Dunn. Ms. Cregger stated that generally the appraisal is not released until the negotiations are completed.

Senator Dunn asked if he could end on one point. There is no harm in putting this over.

Ms. Porini asked if there were any more people who wanted to speak on this issue.

A motion was made by Mr. Keene, and by Seconded Mr. Garcia to adopt Action Item #4.

The Item passed with a 3-0 vote.

Item #16, Department of General Services, Department of Parks and Recreation, Mill Creek. The Board has received correspondence from the Del Norte County Board of Supervisors requesting that the Board defer any action until the various parties meet to discuss mitigating adverse effects of the acquisition on Del Norte County. I believe that those meetings have been scheduled for later this month. I would recommend you approve site selection, which authorizes staff to expend funds to complete our due-diligence responsibilities. However, it would be prudent for you to instruct staff to report back to you the results of those meetings prior to final action to approve the acquisition.

Ms. Porini asked if there was anyone in the audience that would like to testify on this item.

Mr. Gerry Cochran, the assessor for Del Norte County, introduced himself. Our concerns are now with the site selection going into place that Department of General Services will begin to negotiate the contract. Some of the concerns that Del Norte County has, that we have brought to several different groups and state agencies with very little results was the mitigation fees, similar to that of the headwater forest. We are losing 25,000 acres versus the 7,500 acres that Humboldt County lost. They had \$10 million from the State of California and \$12 million from the Federal Government and Save the Redwoods League offered us a pittance. The Highway 101 corridor is crucial to northern California. In the past, we have always looked at the Stimson property or Miller Rellim Company property for that 101 corridor, 4-lane highway. If this should go through, we would like that corridor description described in the Legislation. We are also concerned with the loss of direct and indirect jobs. We are concerned about the 25,000 acres of timberland that has been stopped and harvesting and growing timber, and in turn now will be possibly dedicated to nothing but growing timber wood, no possibility of removal. We would appreciate the land transferring to Department of Fish and Game. Fish and Game has the ability to pay in lieu taxes, which would be \$55,000 a year, whereas the Department of Parks and Recreation pays nothing. With that, we would hope that General Services would assist us in mitigating the points that Del Norte County has brought forth.

Kate Anderton, Executive Director of Save the Redwoods League, introduced herself. I am here today in a position to answer any questions or concerns you might have about moving the project

forward. The negative potential impacts from delay, I would just like to urge you to go forward with this portion of your approval of this project to set the stage to complete resolution of all outstanding issues that property owner and the state to benefit the state ultimately in terms of what is offered by this very uniquely positioned and strategically located piece of forest land with very high habitat values. Not only in terms of redwood conservation and preservation permanently reaching into the future. Most importantly, and most immediately, in terms of the fishery values that are present here the Coho Salmon is a candidate species for listing pending before Fish and Game and the kinds of benefits that this property delivers in terms of salmon habitat re-spawning and rebuilding those threatened populations can't be understated. Finally in terms of moving forward, there is a price increase linked to the negotiated option that is in place to make sure that we complete this transaction before that price increase sets in. We are anxious to move forward with this step, returning to you for final approval in the future.

Tom Westlow, from California Trout, North Coast Manager, introduced himself. We represent about 5,000 members statewide. I am here to address the fisheries values issues. Virtually all of the organized fishery groups have support of this project from the beginning and we continue to support the project because it is such critical fisheries habitat, some of the best of the best we have left in the State. Not only are these fish pending a decision in front of the Fish and Game Commission of possibly being listed as endangered. They are already listed on the Federal level as threatened. Things are not improving in many areas of the State right now as far as the populations go. This is one of the better refugia in the entire state for this Coho Salmon, not to mention that it is also some of the better habitat for Chinook Salmon, Steelhead, Coastal Cutthroat Trout, and one of the few places in California we have even observed Chum Salmon. So I wanted to make myself available if you had any questions on the fisheries value, and that we support Save the Redwoods comments and also support the staff recommendation of moving forward on this issue.

Mr. Tilton stated that we have been in discussion with Virginia Strom-Martin and she is going to coordinate this issue. All we are saying is, until we get your authority, we can't spend staff resources working on trying to resolve these issues, so we would envision trying to resolve the issues that the county has raised. I can't guarantee how those will resolve, but at least we will try to facilitate the discussions, get the groups together and report back to you before you do approve the acquisition. We are trying to move the project along. To the extent the issues are not resolved, we will report back to you before you approve the acquisition.

A motion was made by Mr. Garcia, and by Seconded Mr. Keene to adopt Action Item #16.

The Item passed with a 3-0 vote.

Item #35, Department of General Services, Department of Parks and Recreation, Donner Memorial State Park. This item will authorize site selection. Staff has been working with a representative of nearby property owners to address their concerns with this acquisition. We believe their concerns about retaining access to their property have been resolved. I believe there may be other concerns that need to be researched prior to final action on this item. I recommend you approve site selection and instruct staff to report back to you any other issues raised prior to final acquisition approval.

Pat Davison, Field Director, CABPRO, California Association of Business, Property and Resource Owners, is here representing Mr. Larry Hahn, property owner of Eastern Placer County, the area known as Cold stream Canyon. Mr. Hahn is here today. Although I speak with several of the other Cold stream Canyon property owners on a frequent basis, I do not represent them. Thank you for allowing me a few minutes this morning to offer some general comments about the Donner State Park Expansion plans.

Your actions today, involving the 750-acre Schallenberger Ridge and Section 27 acquisitions, coupled with the future acquisitions of TPL lands and acceptance of the Hewlett donation of 160 acres, will complete circle of public land surrounding Mr. Hahn's 55-acre parcel.

Where Mr. Hahn was once one of many private property owners in the canyon, and State Parks was the minority property owner, the situation is now reversed. Where Mr. Hahn once dreamed of numerous possibilities regarding future use of his land, he now hopes to find some small way to use his land without State Parks opposing him. I am reminded of the classic airport debate – homeowners moving into an airport area decide they aren't happy with the airport, even though the airport was there first. Private property owners were in Cold stream Canyon long before Donner State Parks started exercising a "right to comment on adjacent land use proposals".

Why does any of this matter today, February 8? It matters because you are the agents of change and we come to you for help before the Phase 2 acquisition is proposed. Actions and answers from State Parks have not been acceptable so far, and we hope your influence can change that. Isn't the essence of good government and advance planning – to foresee problems and resolve them before a crisis overwhelms us all?

I appreciate the February 4 answer from DPR faxed to me yesterday as a result of my December 2001 letter to the PWB. While I may disagree with some of the answers, at least we now have something to discuss. The statement about respecting the County General Plan appears positive, but the real test will be if and when proposals consistent with the residential-forestry zoning come up for review. I do question several statements in the letter.

Page 1 – "DPR is not involved in the approval of this (lot split) process." State Parks sent in several letters, on different occasions, opposing Mr. Hahn's lot split. The reason given for State Parks opposition was the increased impacts to Park resources from the three new houses on adjacent private property. This sentence needs to be changed to more accurately reflect that State Parks did participate in the County's decision-making process by providing comments discouraging new development of this area.

Page 2 – "...we as a neighbor are only concerned with....any other issue which potentially damages public lands..." This opens the door wide to interpretation. An when park preservation is the frame from which you view new activities, any change in use suggested by Mr. Hahn, although it fall under his allowable range of uses per Placer County, may be perceived as potentially damaging. This sentence is unsettling. And if State Parks opposition "played no role" or had "little or no significance" in the Placer County decision-making process, then I might suggest that State Parks chooses not to pursuer similar action in the future.

The statements on Page 3 in the DPR letter regarding access are misleading. Either the staff has inadequate records, interprets the records differently than others might, or choose to ignore certain facts. I will not attempt to solve that mystery, but I will try and fill in the blanks. Nowhere is any mention made about Placer County's recognition that Cold stream Road is a non-maintained County right of way. That recognition is evidenced in an ordinance adopted in the 1950's, and more recently, was mentioned at the November 30 property owners meeting where State Parks was in attendance. Nowhere is any mention made that State Parks signed an agreement with the Forest Service in 1995, wherein Forest Service reiterates their belief that Cold stream Road is a "public road by virtue of its implied dedication". And nowhere is any mention made of the existing easements held by Mr. Hahn over various properties in Cold stream Canyon, which I just found out about myself on Wednesday.

Now I can give State Parks the benefit of the doubt on the easement situation, but not on the Forest Services or Placer County positions. State Parks knows better.

On behalf of Mr. Hahn, I respectfully request that you the Public Works Board, take the following action now to inform State Parks of your intent:

You will not consider Phase 2 acquisition or the Hewlett Donation until State Parks has been forthcoming with answers about access – thoroughly researching and analyzing who has recorded easements and access rights, including prescriptive rights. Related questions would be whether State Parks believes it has the legal right to limit Mr. Hahn's motorized summer and winter use on existing roads, or the types of vehicles, number of vehicles, and types of use he could enjoy on existing roads.

You will not consider Phase 2 acquisition or the Hewlett Donation until State Parks has conducted some sort of CEQA analysis on the expansion, beyond a categorical exemption. The request for an impact study was made by Mr. Hahn in April 2001, after State Parks held the public hearing on expansion. A subsequent request was made to Ruth Coleman. Given the concerns expressed by Mr. Kozlowski and Mr. Edberg in their letters, perhaps the CEQA trigger for controversy has been met.

And in the interest of promoting information sharing between State Parks and its neighbors, you will not consider Phase 2 acquisition or the Hewlett Donation until State Parks has scheduled a park/property owner meeting for mid-summer 2002, with subsequent meetings to be held every year as an easy way for all parties to stay connected.

Please do not confuse these three requests as statements of opposition to expansion. They are not. They are safeguards for the property owner who has no choice but to question his future opportunities, and these three requests should be construed as safeguards for you acting as the guardian of the public trust. Why would you want to consummate a deal that might open up an endless stream of controversy, litigation and bad publicity.

State Parks has a choice. Their presence in Cold stream Canyon could be undetectable and harmless to the neighboring property owners, or their presence could bring significant harm to the neighbors. State Parks' recent and obvious intolerance of certain uses indicates their willingness to interfere with property owner actions. Please help us understand what State Park intentions are, before expansion occurs. Information is a precious commodity, and you are in the position to make sure that information is given to the property owners so they can plan accordingly. In closing, I want to commend the work of Mr. Tilton, Genevieve Frederick, and Jim Lombard. The integrity and the respect of their office is a tribute to you as the Board. Ms. Davison passed out a few picture to illustrate the property and access roads.

Mr. Bruce Kranz, representing Assemblyman Tim Leslie, introduced himself. He also was expressing similar concerns raised by Senator Oller. We got involved primarily because of several property owners that have in holdings in the proposed acquisition project and we have met with them several times. What we heard was that most of these folks aren't necessarily opposed to the acquisition, so we are not here today to say that we are opposed to the acquisition. But we are very concerned that these in holders private property rights are taken seriously and that these folks are able to get some assurances. Primarily in one area and that is access to their property. We are very concerned that we have not gotten answers to the questions that whether after this is all done, whether or not these individuals are going to have access to their property to be able to do with their property what is currently permitted under Placer County's general plan. If those assurances can be gained, then I am sure that the Senator and the Assembly would have no further concerns. But we have to protect our constituents and make sure that their property rights are maintained. If they are not, if access is not granted for one reason and this property is acquired and there are restrictions on access for those uses, we may be forcing willing sellers. Say Parks is contending that they are not going to go after non-willing sellers, but if you don't have access to your property you instantly become a

willing seller and we are concerned about that. The additional concern that both the Senator and Assemblyman have is that we were told that since there is no change in land use that CEQA is not necessary, and we believe it is. We believe that there is potentially significant changes in access and what is permissible use and what is not permissible use, and we would really like to see answers to those questions before the actual acquisition of the property is acquired. Now you staff has mentioned that fact that this just simply give permission to go out and negotiate and we heard that by approval of this these folks could then address these concerns with State Parks. If that is the case, if before the purchase is made we can get assurances that these land owners will have access to use their property the way the general plan says, if that is the case, if CEQA will indeed be completed and fulfilled, then I don't think your going to see any opposition from the Assemblyman and Senator. But to this date, we have had very little response from State Parks, we met on August 15th, and were pretty much left out of the loop. The only correspondence we see is when we get it from the property owners themselves and we are concerned about that. We attended the meeting and we expect to have responses the same as other folks do.

Warren Westrup, Acquisition Chief for California State Parks, introduced himself. I just want to point out that are letter that was reference were there was some misinterpretation there that we did not have an influence on the County's decision. Basically, what we were saying is that the County, their decision to turn down Mr. Hahn, on his particular subdivision proposal did not reference State Parks as the reason why they were turning it down and you will see, and hopefully Mr. Tilton has available the County's decision on their rejection of Mr. Hahn's proposal. In it, it outlines a whole number of reasons that the County has from the County's zoning and planning standpoint on why they turned Mr. Hahn's proposal down. Yes it is true, we commented on Mr. Hahn's proposal as we comment on private proposals adjacent to public lands throughout the State of California. We as stewards of the public's resources have a responsibility and a duty to comment when we feel that there are impacts on public resources and we will continue to do that throughout the State, not just in this particular situation. The County and local jurisdictions have the option to as part of their decision-making process to look at our concerns, they don't have a responsibility to turn down the private development because of our concerns. That was our point, that we are not ultimately the issuer of the bulging permits, or subdivision that is the responsibility to the County, to the extent that the County goes through and issues those, then we respect those permits or subdivisions that the County might approve. I also want to point out that on the issue of in holders, that this particular Phase I of the acquisition and even in the Phase 2 of the acquisition do not make any of these people in holders, they are already basically in holders with what we already own in State ownership right now, with what we did in some original acquisitions that were previously approved by the previous Board members back in the 1990's. I am happy to answer any questions the Board might have, and we are continuing to work with the property owners. We have indicated in our letter to them that we are willing to give permits to those property owners that is what statutorily we are allowed to do to continue what has historically been access that they have had in the past. We are not disputing them their historical access, nor are we denying them that historical access.

Mr. Keene asked if in the future, Parks would deny them access. Mr. Westrup replied that we are still working through and have asked Mr. Hahn for particular documents that substantiate his position. In the interim, we have not denied them any access nor to we intend to deny them access, because we are not disputing the fact that they have had access from a time before the state took possession of the land. They could not acquire a prescriptive right over the state that they didn't have prior or on record once the state acquired the lands, but they can make the case, and we are not disputing the case that they have historically had access and they acquired a prescriptive right over those lands from previous private land owners, through open use over a long period of time. So again, we are not denying the access. Mr. Keene asked once again if they had the power to deny that access in the future. Theoretically we could, because unless

they something on record, to the extent it is a county road, and that is still a very technical issue that we are still working on with the County. To the extent that it is a County road, no there would not be any ability for use to close that down. To the extent that they have nothing of record, theoretically we could close it down, but why would we, because we would waste the taxpayer's money on fighting them when we believe that they would have a very good case that they took a prescriptive right over that access road from previously private landowners, who could document that. Yes we could, but we would not. We could do that whether or not you approve the acquisition. The acquisition does not create the situation. That situation is in effect today right now without this acquisition. We would not do that because it is not in the State's best interest. Mr. Keene asked if there was any way they could assure them that their rights would not be taken away. What we have offered them in the letter that we gave to Jim in response to Pat Davison's comments we offered to formalize the access, a permanent arrangement, which is what we are allowed to do under statute. We could grant an easement to the County, as a public agency, but we have no authority to grant an easement to a private party that is not of record. The issue for them is that they are not satisfied with what historically with what they have had with access and ability to use their property. They want to have the potential to subdivide it and then sell off those subdivision parcels to others. To the extent that they get the county approvals to do that, then potentially it would create more traffic and more impacts, and that was our concern and why we commented to the County.

Ms. Davison said that she has copy of some meeting notes November 30, 2002, Steve Kaston, representing Placer County supervisor Rex Bloomfield, was in attendance and the statement was made that Placer County recognizes Cold stream Road as non-maintained county right of way. At the very least, I would like State Parks to acknowledge that as a bystander that those are the kinds of things that cause us to be a little unsettled.

Mr. Westrup indicated that they were still interested in seeing any records that would help clarify that issue. We have had senior land surveyor working on this issue and he was at the meeting with our district people. We have had him up there at Placer county with the records people and trying to get a hold of any documents. We would also like to put this issue at rest.

David Wrightsman, Project Manager for Acquisition, Department of Parks and Recreation, introduced himself. I spoke to the County regarding their public right, and the statement that Pat Davison made is in fact correct. The County does claim a non-approved public right of way through the Cold stream Canyon valley. They are unaware of just how far that road extends. It is my understanding in my talking with Pat Davison, the critical issue here is the Hewlett Property which is to be donated to State Parks, and has not even been put forward to the PWB. The County has been unable to tell me whether their unimproved County road extends through the Hewlett property; we are unaware of that as well. Even with that being said, we have made every effort to inform Pat Davison and those involved that we have a real willingness to provide a permit to them. The critical point here is what's before the Board, which is Phase I Schallenberger Ridge has nothing to do with Mr. Hahn's issues. Hewlett property is not even Phase 2 as cited by Pat Davison; Phase 2 is also part of the TPL ownership. The Hewlett property has yet to come the board. When it does come to the Board that will be the best time to address those issues.

Mr. Tilton said that what he heard from Parks is that they were going to honor the access to the property owners and would give permits if that were needed if they didn't have other access already defined. The open issues were whether or not the property owners and whatever use the county approved, they would honor. The third element that was in question was whether or not the owners had access or property use of the other properties being bought. They have existing documented evidence that they have a right to use that property they would look at those issues. So I thought this issue had been closed, we agreed that we were not going to take away access to the property or land lock them.

Walter Harvey introduced himself to the Board. I am not here to stand in opposition to what the purpose of the meeting in acquiring Schallenberger Ridge property. I have not contested the purchase of any property including the major portion of the park, which I owned up until the mid 1980's. The title report that State Parks presented to you, to approve acquisition, don't reflect the truth. They don't reflect easements recorded, they don't show liens against property. They tell that there are no such things. This is the only opportunity we have to address that. To that extent, I have legal entitlements recorded for years across State Parks property, in which the State Parks chooses to ignore. We have many rights as property owners. State Parks wants to make you believe that they are doing everything they can to cooperate with the property owners. I am the largest private property owner in there. My property ended up right in the middle of the State Park. Their intended goal has been to get me out of there. They have even implied lawsuits, canceled permits, advertised in the papers, including the AP, it was spread all over the country that I was destroying property and that was not true. I thoroughly resent the cavalier attitude that State Parks has, that they are untouchable. They sent out letters stating that you can use your road to get to and from your property, but can't use it for anything else. They have closed public county road at the entrance to Cold stream, forcing them to go through their kiosk, where they have to pay to get in. This is not right. Last year they began a program dismantling easements saying that they are abandoned. They have gone in on dedicated easement roads that have been there for half a century, recorded in Placer County and ignored the easements. They have been provided copies at all levels many times, even to Mr. Westrup's level and to Rusty Areias. They ignore them. I am not trying to block the acquisition of parks. They are trying to mess around with our road system. They are using this as a way to take control, and force people to sell their property.

Mike Kaslowski (sp) introduced himself to the Board. He wanted to elaborate on the issues of our access in the future. I am wondering if part of the acquisition, even if it is Phase I, if the Board would have the power to make it sort of a contingency of the acquisition that the property owners rights to access and the access to the network of the roads would not be impeded. Could we ensure that it would not go away? This has been a battle, I have only been in the park for 2 years now, but involved for 4-5 years in Cold stream Canyon. On its face value, the acquisition seems pretty simple, the acquisition should go forward, but it is also very complex as to what the intent of the State Parks is. Again I am just posing a question, I am wondering if granting the acquisition may also include a contingency to ensure access.

Mr. Tilton responded that some of these issues are in fact title issues that are in fact the Board's responsibility to do due diligence on the acquisition even though Parks may do some of the staff work we have to address some of the information that we have heard today and I will look into that for you. What I am recommending that is proper for the Board and staff to do is to approve the site selection, then we can go off and do due diligence, it is either title, easements, and/or rights to access. We can flush out all those things. I comment on what the conclusion might be, but what I am committing to do is try to get all the issues down and identify those issues, and see whether or not we get can resolution of the issues. Then they can come back before they actually approve the acquisition, you would know if these issues had or had not been resolved.

Ms. Porini noted that it would be important for her to see that it has been done and what issues had been resolved before we take final action. We will approve the staff recommendation to do site selection, begin due diligence with the amendment to that that our staff will take responsibility for trying to organize a list of concerns and draw together folks to deal with this issue.

A motion was made by Mr. Keene, and by Seconded Mr. Garcia to adopt Action Item #35.

The Item passed with a 3-0 vote.

Item #36, Employment Development Department, Torrance Renovation and Asbestos abatement. This item will approve project termination and reversion of funds. A 20-day letter was sent to the Legislature on January 18, 2002, without comment. Staff recommends your approval of this item.

A motion was made by Mr. Keene, and by Seconded Mr. Garcia to adopt Action Item #36.

The Item passed with a 3-0 vote.

Item #37, Department of the Youth Authority, N.A. Chaderjian Youth Correctional Facility. This item will approve project termination and reversion of funds. A 20-day letter was sent to the Legislature on January 28, 2002. Approval of this item is contingent upon the passing of the 20-day waiting period. Staff recommends your approval of this item.

A motion was made by Mr. Keene, and by Seconded Mr. Garcia to adopt Action Item #37.

The Item passed with a 3-0 vote.

OTHER BUSINESS:

Mr. Tilton noted that there were no items of other business.

REPORTABLES:

Mr. Tilton indicated there were four reportables.

NEXT MEETING:

Mr. Tilton noted that the next PWB meeting is scheduled for Friday, March 8, 2002, at 10:00 am in Room 112. A special PWB meeting is scheduled for Friday, February 15, 2002, at the Department of Finance, Cedar Room.

Having no further business, the meeting was adjourned at 11:45 a.m.

BOND ITEMS

BOND – ITEM 1

DEPARTMENT OF GENERAL SERVICES (1760)

DEPARTMENT OF MENTAL HEALTH (4440)

Energy Conservation Revenue Bond Projects

Authority: Government Code Sections 15814.10 – 15814.25

Adopt a resolution to:

1. Authorize the sale of Energy Conservation Revenue Bonds for the projects identified in Attachment A.
2. Authorize execution of the Energy Service Contracts for the projects identified in Attachment A. Authorization is contingent upon the a) non-eventful passage of the 15-day JLBC notification requirement; b) execution of a Schedule VI certifying energy savings for each contract; and c) receipt of a validity opinion from the participating agencies' counsel.
3. Authorize the use of interim financing, if needed, for the projects identified in Attachment A to be repaid from the Public Buildings Construction Fund from proceeds of the sale of bonds.
4. Approve the form of indenture as part of the interim finance package, with such insertions, deletions and changes therein as the Administrative Secretary, with the advice of counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Total estimated project costs:

\$13,865,481

APPROVED.

BOND ITEMS

BOND – ITEM 1

Department of General Services

Department of Mental Health

Energy Conservation Revenue Bond Projects

Action Requested

The requested action will authorize the sale of Energy Conservation Revenue Bonds for the projects identified in Attachment A; conditionally authorize execution of the Energy Service Contracts for those same projects; authorize the use of interim financing, if needed, for those projects to be repaid from the Public Buildings Construction Fund from proceeds of the sale of bonds; and approve a form of indenture to be used in the interim financing package.

Scope Description

The specific types of energy conservation projects to be included in the Energy Service Contracts are identified in Attachment A. These projects generally consist of the following:

HVAC Systems: Upgrading chilled water TES systems; replacing cooling towers with appropriately-sized equipment; upgrading variable air volume systems; upgrading direct digital controls and optimized control strategies for chiller plants and air handler units; utilizing after-hours controls for heating and cooling; and installing window tinting film to reduce solar heat gain.

Motors and Variable Speed Drives: Replacing inefficient motors on air handler units with high efficiency motors and installing variable speed drives on chillers, TES pumps, water pumps, cooling tower fans, air handler fans, other types of fans.

Energy Management Systems: Installing energy management system hardware and software to control the largest electrical loads in facilities, such as HVAC systems and steam heating and hot water systems.

Lighting: Upgrading lighting systems with T-8 fluorescent lamps and electronic ballasts, retrofitting incandescent lamps with energy efficient compact fluorescent lamps, installing lighting control systems that will dim or turn off lights when illumination is not needed, and installing low-wattage luminescent emitted diode exit signs.

Carbon Monoxide Control Systems: Installing parking garage carbon monoxide control systems with variable speed drives on fan motors.

Reclaimed Water: Retrofitting existing irrigation systems to use reclaimed water for landscape irrigation.

Funding and Project Cost Verification

The total amount set forth in the Energy Service Contracts is \$17,140,000, with a total project cost of \$13,865,481 for the energy conservation projects. The total project cost breakout by participating agency is as follows:

Department of General Services	\$8,235,246
Department of Mental Health	\$5,630,235

Staff analysis indicates the total estimated annual cost savings produced by these energy conservation projects is \$2,288,670. The annual cost savings is sufficient to repay the requisite proportional share of the revenue bonds and related costs for each year over the payment term.

Project Schedule Summary

The schedules for each project component as prepared by the Department of General Services, Energy Management Division, are identified in Attachment A. The participating agencies are contractually obligated to take all steps necessary to complete the various energy conservation project components in accordance with the proposed project schedule.

Energy Service Contracts

- The form of the Energy Service Contract to be executed is consistent with the approval given by the Board at its February 8, 2000 meeting and is the most current form of the Energy Service Contract.
- Each Energy Service Contract may contain several different energy conservation projects to be implemented at the participating agency facility. The cost and schedule for the individual

project components are detailed in Schedule III of each Energy Service Contract and are summarized in Attachment A.

- Prior to the Board executing the proposed Energy Service Contracts, the following events or activities must occur:
 - Passage of the 15-day notice period to the Joint Legislative Budget Committee.
 - Execution of the Project Savings Certification found in Schedule VI of the Energy Service Contract by the Program Director, Office of Energy Assessments, Department of General Services.
 - Delivery by the participating agency of a signed Energy Service Contract together with an unqualified opinion of its counsel containing the information set forth in Section 2.01(a)-(d) of the Energy Service Contract.
 - Receipt of a favorable analysis from the Public Works Board's bond counsel that the issuance of these energy revenue bonds does not conflict with the terms and conditions of the existing debt on the Joint Powers Authority (JPA) financed facilities.

Staff Recommendation: Approve resolution.

BOND ITEMS

BOND – ITEM 2

UNIVERSITY OF CALIFORNIA (6440)
LOS ANGELES CAMPUS, LOS ANGELES COUNTY
UCLA Replacement Hospitals

Authority: Section 15820.85 of the Government Code

a. Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds.
2. Authorize the execution of the Construction Agreement between the University of California and the State Public Works Board.
3. Approve the form of and authorize the execution of a Facility Lease between the University of California and the State Public Works Board.
4. Approve the form of and authorize the execution of an Agreement for the Transfer of Control and Possession of State Owned Real Property (Transfer Agreement) between the University of California and the State Public Works Board.
5. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.

Total estimated project costs:

\$180,000,000

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 2

University of California
UCLA Replacement Hospitals

Action requested

The action requested will adopt a resolution authorizing interim financing.

Scope Description

This project is within scope. The University of California at Los Angeles (UCLA) proposes to construct a 517,000 assignable square feet (ASF) acute care facility on the Westwood campus and a 167,500 asf acute care facility and related site improvements on the Santa Monica Medical Center campus, replacing existing hospital facilities that were structurally damaged by the January 1994 Northridge Earthquake (the UCLA Replacement Hospitals). The two facilities will have a combined licensed and available bed capacity of 791 beds. The replacement hospital

facilities will satisfy the seismic safety requirements for acute care hospital facilities imposed by Senate Bill 1953 (Chapter 740/94).

Funding and Cost Verification

This project is within cost. The State Public Works Board is authorized to issue \$600 million of lease revenue bonds in Government Code Sections 15820.80 et.seq. (Chapter 71/00) to assist in financing various teaching hospital seismic projects. The UCLA Replacement Hospitals project has been allocated \$180 million of the \$600 million lease revenue bonds authorized. In addition to the bonds, funding sources for the UCLA project include federal funds (\$505,100,000), state matching funds (\$44,100,000), campus funds (\$194,500,000) and hospital reserves (\$14,900,000) for a projected cost of \$938,600,000 for the two facilities.

Funding and Project Cost Verification

\$938,600,000	Total estimated project cost
\$739,700,000	Project costs previously allocated: Preliminary plans – \$30,700,000 (Federal funds), \$3,000,000 (State matching funds), \$4,800,000 (campus funds); Working drawings – \$47,100,000 (Federal funds), \$3,000,000 (State matching funds), 9,000,000 (campus funds); Construction – \$357,084,000 (Federal funds), \$38,100,000 (State matching funds), \$119,795,000 (campus funds), \$127,121,000 (State lease revenue bond funds)
\$198,900,000	To be allocated: Construction funds – \$70,216,000 (Federal funds), \$14,900,000 (Hospital reserves), \$29,405,000 (campus funds), \$52,879,000 (State lease revenue bond funds); Equipment funds - \$31,500,000 (campus funds).

CEQA

The University certifies that the project is in compliance with CEQA.

Project Schedule

The project schedule is as follows:

Complete construction: November 2004

Other

- Pursuant to Government Code Section 15820.86, the UCLA Replacement Hospitals are to be located on real property separate from the sites to be leased to the Board from the Regents pursuant to the Site Lease(s), and leased back to the Regents pursuant to a Facility Lease(s). This arrangement is known as “asset transfer.”
- Pursuant to Government Code Section 15820.82, the Regents have provided an opinion of bond counsel to the effect that the Board’s bonds issued for the UCLA Replacement Hospitals will be able to receive a customary approving opinion as to state law and federal income tax law.

Staff Recommendation: Adopt resolution.

CONSENT ITEMS

CONSENT – ITEM 3

GOVERNOR’S OFFICE OF EMERGENCY SERVICES (0690)
HEADQUARTERS AND STATE OPERATIONS CENTER, SACRAMENTO COUNTY

Authority: Chapter 162/96, Item 0690-301-0001(1)
Chapter 52/00, Item 0690-301-0001(1)

- a. Approve augmentation \$2,688,000
(29.4 percent of construction phase)
(19.4 percent of total project)

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 3

Governor's Office of Emergency Services
Headquarters and State Operations Center

Action Requested

The requested action will approve an augmentation for this project.

Scope Description

This project is within scope. This project provides for site acquisition, design and construction of a Headquarters Office for the Governor's Office of Emergency Services to include the State Operations Center and Regional Emergency Operations Center. The existing facility on Meadowview Road, constructed in 1950, was determined to have significant flaws. The building did not meet the Essential Services Act, was located within a designated floodplain, has been threatened with imminent flooding several times, and the building does not have electrical capacity to function in a full-scale emergency.

Funding and Project Cost Verification

The project is not within cost. This augmentation is necessary to settle all general contractor claims and make final payment for an equitable settlement. The general contractor and DGS have reached a final negotiated equitable settlement. This settlement satisfies all general contractor requests for extended contract time, reduced labor productivity, extended field and office overhead, financing and interest costs, extended warranties and all related subcontractor costs. A 20-day letter was sent to the Legislature on January 18, 2002, without comment.

\$42,598,000 total estimated project costs

\$39,910,000 project costs previously allocated: acquisition \$3,414,000, preliminary plans \$813,000, working drawings \$1,168,000, equipment \$6,720,000, construction \$23,550,000 (\$20,583,000 contract, \$1,029,000 contingency, \$1,030,000 A&E costs, \$908,000 other project costs), augmentation number 1 \$295,000, augmentation number 2 \$640,000, and augmentation number 3 \$810,000, augmentation number 4 \$2,500,000.

\$2,688,000 currently requested construction augmentation

\$6,933,000 total requested construction augmentation

CEQA

A Notice of Determination was filed with the State Clearinghouse on July 24, 1997, and the waiting period has expired.

Project Schedule

The project schedule is as follows:

Complete construction: December 2001

Staff Recommendation: Approve augmentation.

CONSENT ITEMS

CONSENT – ITEM 4

DEPARTMENT OF GENERAL SERVICES (1760)
JUDICIAL COUNCIL (0250)
FOURTH APPELLATE DISTRICT NEW COURTHOUSE, ORANGE COUNTY
DGS Parcel Number 10002, JCC Parcel Number 001

Authority: Chapter 52/00, Item 0250-301-0001(2)

a. Authorize site selection

PULLED. Moved to Action Item.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 4

Department of General Services
Judicial Council of California
Fourth Appellate District New Courthouse

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The project provides for acquisition of land and the construction of a replacement facility for the Fourth Appellate District Court in Santa Ana. The acquisition phase of the project includes acquiring fee simple interest in a parcel of approximately 1.5 acres of land that is presently improved with a juvenile detention facility and a public parking lot. The property is owned by local government, which has offered to deliver the property to the State of California with the detention facility removed from the property.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 0250-301-0001(2) provides \$2,783,000 for this acquisition of fee simple interest. The property can be acquired with the funds available and in accordance with Legislative intent.

\$14,943,000 total estimated project costs

\$3,215,000 project costs previously allocated: acquisition and preliminary plans

\$11,728,000 project costs to be allocated: working drawings \$604,000 and construction \$11,124,000 (\$9,452,000 contract, \$472,000 contingency, \$1,200,000 project administration)

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is August 31, 2002.

Other:

- The proposed site meets the location requirements of the Judicial Council of California (JCC).
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- There is no implied dedication involved with this project.
- DGS Environmental Services Staff have toured the property and reported no due diligence issues that would prevent site selection.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 5

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA TAHOE CONSERVANCY (3125)
STATELINE/VAN SICKLE ACQUISITION PROJECT, EL DORADO COUNTY
DGS Parcel Numbers 10091 and 10092, CTC Project Number CTC-011A

Authority: Chapter 50/99, Item 3125-301-0001(2)
Chapter 52/00, Item 3125-301-0286(2)
Chapter 106/01, Item 3125-301-0001(1)
Chapter 106/01, Item 3125-301-0001(3)
Chapter 106/01, Item 3125-301-0001(4)

a. Authorize site selection

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 5

Department of General Services
California Tahoe Conservancy
Stateline/Van Sickle Acquisition Project

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved funding for land acquisition pursuant to Section 66907 of the Government Code, which includes the purchase of real property or interests therein for the purposes of protecting the natural environment, enhancing public access, and watershed protection. This request will authorize site selection of approximately 154 acres for acquisition in fee simple interest and approximately 1 acre for public access and watershed restoration purposes.

Funding and Cost Verification

This project is within cost. Chapter 50/99, Item 3125-301-0001(2), Chapter 52/00, Item 3125-301-0286(2), Chapter 106/01, Item 3125-301-0001(1), (3), and (4) appropriated funding for this acquisition. The property interests can be acquired with the funds available and in accordance with Legislative intent.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2002.

Other:

- The purchase price will not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- DGS staff has prepared a Relocation Entitlement Report detailing the relocation expenses.
- DGS Environmental Services Staff have toured the property and reported no due diligence issues that would prevent site selection. As stated below, the property does have a few structures and roads, but the CTC has already addressed the disposition of these improvements. This property is particularly valuable for future recreational projects. The property does not appear to pose a long-term liability to the State.
- There are at least two historic structures situated on the property, a log cabin and a horse barn. There are no immediate plans to alter these historic structures. Any restoration or demolition activities that may be proposed at a future date will be done in consultation with the State Office of Historic Preservation. CTC has no pending plans for use of the existing improvements on the site. The historic structures will be maintained at minimal cost in a state of arrested stabilization for the present.
- There are additional small cabins and several dirt roads on the property. The Conservancy has sufficient funds to cover the demolition of the small cabins.
- The property has a pending eminent domain action. Under this action a gondola easement was obtained and is of record. The approved appraisal established the value for the property subject to this easement. The California Tahoe Conservancy (CTC) is requiring resolution of the eminent domain action prior to the close of escrow to clarify which items of record the State's title insurance policy will reflect.
- The property is situated next to property previously donated to the State of Nevada by the same Grantor in 1989. The possibility exists that a bi-state State Park could ultimately be developed on the public lands owned by the State of Nevada and to be purchased by the CTC.
- Staffing pertaining to the acquisition of this property will be absorbed within CTC's existing support budget.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 6

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA TAHOE CONSERVANCY (3125)
TWIN PEAKS STREAM ENVIRONMENT ZONE, EL DORADO COUNTY
DGS Parcel Number 10093, CTC Project Number CTC-012A

Authority: Chapter 106/01, Item 3125-301-0005(3)

a. Authorize site selection

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 6

Department of General Services
California Tahoe Conservancy
Twin Peaks Stream Environment Zone

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved funding for land acquisition pursuant to Section 66907 of the Government Code, which includes the purchase of real property or interests therein for the purposes of protecting the natural environment, and watershed restoration and protection. This request will authorize site selection of approximately 1.96 acres for acquisition of fee simple interest for the purpose of watershed restoration and protection.

Funding and Cost Verification

This project is within cost. Chapter 52, Budget Act of 2000, Item 3125-301-0005, provides \$6,354,000 for land acquisition and site improvements in the Upper Truckee River watershed. The property can be acquired with the funds available and in accordance with Legislative intent.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2002.

Other:

- Approximately 26,000 square feet or 30% of the total property has been developed and disturbed with the construction of a combined office and shop building, asphalt parking and storage area, and concrete walkways. The acquisition provides an opportunity to remove the existing development and restore and preserve stream environment zone and other high-hazard lands. The acquisition may facilitate coordinated treatment of storm water runoff involving adjacent United States Forest Service lands and Caltrans' plans for water quality improvements along the adjacent U.S. Highway 50 corridor.
- The purchase price will not exceed estimated fair market value determined by a DGS approved appraisal.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection. As stated below, the CTC will be responsible for demolition of the structures on this property, but these structures will have been fully invested prior to acquisition to confirm the nature and extent of demolition costs. Other than these known improvements, the property does not appear to pose a long-term liability to the State.
- The CTC will assume ongoing management of the property after escrow closes. Staffing will be absorbed within California Tahoe Conservancy's (CTC) existing support budget.
- Demolition costs for the structure could range from \$32,000 to \$45,000, which includes an outside estimate for asbestos abatement costs ranging \$7,000 to \$10,000. The Conservancy has sufficient funds to cover the demolition activities.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 7

DEPARTMENT OF GENERAL SERVICES (1760)

DEPARTMENT OF MOTOR VEHICLES (2740)

SOUTH SACRAMENTO FIELD OFFICE REPLACEMENT, SACRAMENTO COUNTY

DMV 116, DGS Parcel 10049

Authority: Chapter 106/01, Item 2740-301-0044(4.5)

a. Authorize site selection

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 7

Department of General Services
Department of Motor Vehicles
South Sacramento Field Office Replacement

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The project provides for acquisition of land and the construction of a replacement facility for the Department of Motor Vehicles (DMV) in south Sacramento County. The acquisition phase of the project includes acquiring fee simple interest in a vacant parcel of approximately three (3) acres within the existing DMV service area.

Funding and Cost Verification

This project is within cost. The property can be acquired in accordance with Legislative intent with funds available from Item 2740-301-0044(4.5) of Chapter 106, Budget Act of 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is not later than October 2002.

Other:

- The proposed site meets the location requirements of DMV.
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- There is no implied dedication involved with this project.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 8

DEPARTMENT OF GENERAL SERVICES (1760)
STATE COASTAL CONSERVANCY (3760)
SANT, OFFER TO DEDICATE PUBLIC ACCESS EASEMENT
SAN DIEGO COUNTY
Project Number SCC 120D, Permit Number F9436

- a. **Authorize acquisition of an easement for public access and recreational use through acceptance of an Offer to Dedicate**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 8

Department of General Services
State Coastal Conservancy
Sant, Offer to Dedicate Public Access Easement

Action requested

The requested action will authorize acquisition of an easement for public access and recreational use through acceptance of an Offer to Dedicate.

Irrevocable Offer to Dedicate

The Coastal Commission granted conditional development Permit Number F9436 on October 17, 1980, for the proposed development of a 600 square foot addition to a residence on property in the coastal zone. The conditional permit required the property owner to record an irrevocable Offer to Dedicate (OTD) an easement for public access and recreational use along the shoreline. The OTD expires, if not accepted within 21 years of its creation. This OTD will expire on March 1, 2002, unless accepted by a qualified governmental entity or non-profit organization. On August 2, 2001, the State Coastal Conservancy (SCC) authorized the acceptance of this OTD.

Terms and Restrictions

The OTD is a sandy beach lateral easement measured seaward of the seawall located between the first public road and the shoreline. It is adjacent to Imperial Beach, a wide sandy beach owned and managed by the City of Imperial Beach. There is an improved public accessway 100 feet south of the OTD providing access from First Street to the beach.

Cost

The acceptance of this OTD involves only the administrative cost of a staff analysis and the Department of General Services review.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 3, 2002, and the waiting period expired on February 6, 2002.

Project Schedule

The project schedule is as follows:

The anticipated acquisition is March 2002.

Other

- A consultant from the State Coastal Conservancy has inspected the property and reported no due diligence issues that would prevent acquisition of the easements.
- The SCC wishes to preserve this OTD by accepting it at this time as the City of Imperial Beach is not ready to accept the OTD prior to its impending expiration date.

Staff Recommendation: Authorize acquisition of an easement for public access and recreational use through acceptance of an Offer to Dedicate.

CONSENT ITEMS

CONSENT – ITEM 9

DEPARTMENT OF GENERAL SERVICES (1760)
STATE COASTAL CONSERVANCY (3760)
RICHARDS, OFFER TO DEDICATE PUBLIC ACCESS EASEMENT
MENDOCINO COUNTY
Project Number SCC 118D, Permit Number 80-CC-252

- a. **Authorize acquisition of an easement for public access and recreational use through acceptance of an Offer to Dedicate**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 9

Department of General Services
State Coastal Conservancy
Richards, Offer to Dedicate Public Access Easement

Action requested

The requested action will authorize acquisition of an easement for public access and recreational use through acceptance of an Offer to Dedicate.

Irrevocable Offer to Dedicate

The Coastal Commission granted conditional development Permit Number 80-CC-252 on February 11, 1981, for the proposed development of a single family in the coastal zone. The conditional permit required the property owner to record an irrevocable Offer to Dedicate (OTD) a public access easement over the property. The OTD expires, if not accepted within 21 years of its creation. This OTD will expire on March 22, 2002, unless accepted by a qualified governmental entity or non-profit organization. On August 2, 2001, the State Coastal Conservancy (SCC) authorized the acceptance of this OTD.

Terms and Restrictions

This is a bluff top easement, measured 25 feet wide along the bluff edge, and extending approximately 204 feet. The easement may in no case extend any closer than one hundred thirty-seven (137) feet from the southeast property corner and one hundred sixty-one (161) feet from the northeast property corner. Under the terms of the OTD, the accepting agency must enter into an agreements to maintain the easement and to indemnify and hold the landowners harmless before the easement can be opened to the public.

Cost

The acceptance of this OTD involves only the administrative cost of a staff analysis and the Department of General Services review.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 3, 2002, and the waiting period expired on February 6, 2002.

Project Schedule

The project schedule is as follows:

The anticipated acquisition is March 2002.

Other

- A consultant from the State Coastal Conservancy has inspected the property and reported no due diligence issues that would prevent acquisition of the easements.

Staff Recommendation: Authorize acquisition of an easement for public access and recreational use through acceptance of an Offer to Dedicate.

CONSENT ITEMS

CONSENT – ITEM 10

DEPARTMENT OF GENERAL SERVICES (1760)

STATE COASTAL CONSERVANCY (3760)

BROWN, OFFERS TO DEDICATE PUBLIC ACCESS AND OPEN SPACE EASEMENTS

SAN DIEGO COUNTY

Project Number SCC 119D, Permit Numbers 9555 and F9555

- a. **Authorize acquisition of public access and open space easements through acceptance of Offers to Dedicate**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 10

Department of General Services
State Coastal Conservancy, Brown

Action requested

The requested action will authorize acquisition of public access and open space easements through acceptance of Offers to Dedicate.

Irrevocable Offer to Dedicate

The Coastal Commission granted conditional development Permit Numbers 9555 and F9555 on February 6, 1981, for the proposed construction of two condominiums on a vacant bluff top lot in the coastal zone. The conditional permits required the property owner to record irrevocable Offers to Dedicate (OTD's) a public access easement and an open space easement over the property in the form of irrevocable offers to dedicate. The OTD's expire, if not accepted within 21 years of their creation. The OTD's will expire on March 9, 2002, unless accepted by a qualified governmental entity or non-profit organization. On August 2, 2001, the Coastal Conservancy voted unanimously to accept the public access easement and on January 24, 2002, the Coastal Conservancy voted unanimously to accept the open space easement.

Terms and Restrictions

The public access easement is a sandy beach lateral along the toe of a 92-foot-high bluff seaward to the mean high tide line. The open space easement is on the bluff face of the parcel and will prevent any alteration of landforms, placement or removal of vegetation, or erection of any structures on the bluff face without additional permit approval. The property lies adjacent to Beacons Beach, which is managed by the City of Encinitas, but owned by the California Department of Parks and Recreation. Beacons Beach is directly adjacent to Encinitas State Beach. The City of Encinitas is unwilling to accept OTD's lying adjacent to state beaches.

Cost

The acceptance of these OTD's involves only the administrative cost of a staff analysis and the Department of General Services review. The public access easement will not be opened for public use at this time.

CEQA

A Notice of Exemption was filed with the State Clearinghouse January 3, 2002, and the waiting period expired on February 6, 2002.

Project Schedule

The anticipated acquisition is March 2002.

Other

- A consultant from the State Coastal Conservancy has inspected the property and reported no due diligence issues that would prevent acquisition of the easements.
- The open space easement allows the State to periodically inspect the property for compliance with the terms of the OTD.

Staff Recommendation: Authorize acquisition of public access and open space easements through acceptance of an offers to dedicate.

CONSENT ITEMS

CONSENT – ITEM 11

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CARNEGIE STATE VEHICULAR RECREATION AREA, ALAMEDA COUNTY
DPR Parcel Number A24902, DGS Parcel Number 10087

Authority: Chapter 52/00, 3790-301-0263(3)

a. Authorize site selection

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 11

Department of General Services
Department of Parks and Recreation
Carnegie State Vehicular Recreation Area

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has funding from the Off-Highway Vehicle Trust fund for the purchase of 14 different parcels totaling approximately 436 acres in the Carnegie State Vehicular Recreation Area (CSVRA). The acquisition includes approximately 13 homes, outbuildings and related structures. As part of this project, the Department of Parks and Recreation (DPR) is requesting site selection authorization to acquire approximately 119 acres of improved property as an addition to CSVRA. The improvements include an owner-occupied 27-year-old one-story house consisting of 2,413 square feet, with a two and ½ car detached garage, two barns, and one metal storage shed.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 3790-301-0263(3) provides funding for acquisition in fee simple interest and associated overhead for real property and for removal and/or stabilization of structures located on the various properties. This property can be acquired within the remaining funds available and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 21, 2000, and the waiting period expired on August 25, 2000.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is in April of 2002.

Other:

- The property was appraised by a private appraiser under contract to the property owner and the proposed offer is consistent with the fair market value approved by Department of General Services (DGS) staff.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require the delivery of clear title to the State.
- The acquisition will require the property owner to remove all personal property and debris identified on the site.
- DPR has received an approved Relocation Assistance Entitlement Report prepared by DGS. The owner is entitled to \$22,500 for replacement housing and \$10,000 for moving expenses.
- DPR is evaluating the existing buildings for their operational use. Based on this evaluation, DPR may incur maintenance and/or removal costs relating to the existing improvements. These costs will be absorbed within DPR's existing budget.
- The budget item provides \$700,000 for fencing, stabilization, demolition, disposal and other remedial issues associated with all of the 14 parcels to be acquired within this project.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection. As indicated in this section, DPR has addressed disposition of the improvements that will be part of this acquisition.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 12

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CARNEGIE STATE VEHICULAR RECREATION AREA, ALAMEDA COUNTY
DPR Parcel Number A24903, DGS Parcel Number 10081

Authority: Chapter 52/00, 3790-301-0263(3)

a. Authorize acquisition consistent with the staff analysis

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 12

Department of General Services
Department of Parks and Recreation
Carnegie State Vehicular Recreation Area

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved \$9 million from the Off-Highway Vehicle Trust fund for the purchase of 14 different parcels totaling approximately 436 acres in the Carnegie State Vehicular Recreation Area (CSVRA). The acquisition includes approximately 13 homes, outbuildings and related structures. As part of this project, the Department of Parks and Recreation (DPR) is requesting acquisition approval to acquire approximately 5.42 acres of improved property as an addition to CSVRA. The improvements include a 14-year old, 1,990 square feet, one-story, owner occupied house with a two-car attached garage, and one steel water tank.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 3790-301-0263(3) provides \$9 million for acquisition in fee simple interest and associated overhead for real property and for removal and/or stabilization of structures located on the various properties. To date, DPR has spent approximately \$5.75 million to acquire 285.04 acres. This property can be acquired within the funds available and in accordance with Legislative intent.

\$683,500 total estimated project costs

\$3,000 project costs previously allocated: DGS staff costs

\$680,500 project costs to be allocated: \$650,000 acquisition; relocation assistance costs of \$27,500, and estimated closing costs of \$3,000

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 21, 2000, and the waiting period expired on August 25, 2000.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is in March of 2002.

Other:

- This project was approved for site selection by the State Public Works Board on January 11, 2002.
- The property was appraised by a private appraiser under contract to the property owner and the proposed offer is consistent with the fair market value approved by Department of General Services (DGS) staff.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require the delivery of clear title to the State.
- The acquisition will require the property owner to remove all personal property and debris identified on the site.
- DPR has received an approved Relocation Assistance Entitlement Report prepared by DGS. The owner is entitled to \$22,500 for replacement housing and \$5,000 for moving expenses.
- DPR is evaluating the existing buildings for their operational use. Based on this evaluation, DPR may incur maintenance and/or removal costs relating to the existing improvements. These costs will be absorbed within DPR's existing budget.
- The budget item provides \$700,000 for fencing, stabilization, demolition, disposal and other remedial issues associated with all of the 14 parcels to be acquired within this project.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection. As indicated in this section, DPR has addressed disposition of the improvements that will be part of this acquisition.
- The appraisal indicates there is no implied dedication on the property.

Staff Recommendation: Authorize acquisition consistent with staff analysis.

CONSENT ITEMS

CONSENT – ITEM 13

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CARNEGIE STATE VEHICULAR RECREATION AREA, ALAMEDA COUNTY
DPR Parcel Number A24906, DGS Parcel Number 10080

Authority: Chapter 52/00, 3790-301-0263(3)

a. Authorize acquisition consistent with the staff analysis

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 13

Department of General Services
Department of Parks and Recreation
Carnegie State Vehicular Recreation Area

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved \$9 million from the Off-Highway Vehicle Trust fund for the purchase of 14 different parcels totaling approximately 436 acres in the Carnegie State Vehicular Recreation Area (CSVRA). The acquisition includes approximately 13 homes, outbuildings and related structures. As part of this project, the Department of Parks and Recreation (DPR) is requesting authorization to acquire approximately 10.67 acres of improved property as an addition to CSVRA. The improvements include a 20-year old, one-story, 1,783 square feet, owner occupied house with a three-car attached garage.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 3790-301-0263(3) provides \$9 million for acquisition in fee simple interest and associated overhead for real property and for removal and/or stabilization of structures located on the various properties. Another parcel of 13.06 acres is coming forward for site acquisition this month. If this acquisition is approved, DPR will have used approximately \$5.75 million to acquire 285.04 acres. This property can be acquired within the funds available and in accordance with Legislative intent.

\$683,500 total estimated project costs

\$3,000 project costs previously allocated: DGS staff costs

\$680,500 project costs to be allocated: \$650,000 acquisition; relocation assistance costs of \$27,500, and estimated closing costs of \$3,000

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 21, 2000, and the waiting period expired on August 25, 2000.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is in March of 2002.

Other:

- The property was appraised by a private appraiser under contract to the property owner and the proposed offer is consistent with the fair market value approved by DGS staff.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require the delivery of clear title to the State.
- The appraisal indicates there is no implied dedication on the property.
- The acquisition will require the property owner to remove all personal property and debris identified on the site.
- DPR has received an approved Relocation Assistance Entitlement Report prepared by DGS. The owner is entitled to \$22,500 for replacement housing and \$5,000 for moving expenses.
- DPR is evaluating the existing buildings for their operational use. Based on this evaluation, DPR may incur maintenance and/or removal costs relating to the existing improvements. These costs will be absorbed within DPR's existing budget.
- The budget item provides \$700,000 for fencing, stabilization, demolition, disposal and other remedial issues associated with all of the 14 parcels to be acquired within this project.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection. As indicated in this section, DPR has addressed disposition of the improvements that will be part of this acquisition.

Staff Recommendation: Authorize acquisition consistent with staff analysis.

CONSENT ITEMS

CONSENT – ITEM 14

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CASPAR HEADLANDS STATE BEACH, MENDOCINO COUNTY
DPR Project A34100, DGS Parcel 10079

*Authority: Chapter 50/99, Item 3760-302-0001(1)
Chapter 52/00, Item 3760-302-0005(2)(S)
Chapter 52/00, Item 2660-101-0890 (a)*

a. Authorize acquisition consistent with the staff analysis

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 14

Department of General Services
Department of Parks and Recreation
Caspar Headlands State Beach

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. In December 2000, the State Coastal Conservancy (SCC) and the Department of Transportation (Caltrans) provided grants to the Mendocino Land Trust, Inc. (MLT), a California nonprofit corporation, for the purpose of purchasing a parcel of land. The purchase was pursuant to an Agreement Declaring Restrictive Covenants (“the Covenants”) between the SCC, Caltrans and MLT. The agreement indicates that it was the intent of all of the parties to transfer ownership of the parcel to the Department of Parks and Recreation (DPR). The covenants also contain a clause that would provide for the reversion of the property to Caltrans if the owner of the property does not operate or maintain the property according to the agreement. The covenants further encumber the property with conservation use restrictions in perpetuity. The property is approximately 71 acres, and includes a small, potentially historic house and two sheds. The parcel is located on the Mendocino County coast and is approximately 500 feet away from Caspar Headlands State Beach.

Department of Parks and Recreation (DPR) is requesting acquisition of this property to continue its use for public access and open space.

Funding and Cost Verification

This project is within cost. Chapter 50/99, Item 3760-302-0001(1) provided \$1,179,100 in grant funds to MLT for acquisition of the property. Chapter 52/00, Item 3760-302-0005(2)(S) provided \$820,900 in grant funds to MLT for acquisition of the property. The Legislature has also

provided for expenditure of Federal grant funds by Caltrans for federal discretionary transportation corridor improvement grants and formula Section 163 grants. Caltrans granted \$1,500,000 from this Federal Aid program to MLT for acquisition of the property. MLT agrees to convey the property to DPR at no additional cost to the State, subject to the terms and conditions of the Covenants.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on June 8, 2000, and the waiting period expired on July 13, 2000.

Project Schedule

The project schedule is as follows:

The anticipated acquisition is March 2002.

Other

- The covenants provide for conveyance to the state upon demand by Caltrans or SCC in the event MLT (or its successors in interest) or SCC, as applicable, ceases to exist, or ceases to maintain the property for its intended public use.
- The property is the historical site of the Caspar Lumber Mill (1861-1955). DPR has no pending plans for use of the existing improvements on the site. The structures will be maintained at minimal cost in a state of arrested stabilization for the present.
- Concrete blocks are located on the bluff of the property, some have dropped approximately 30 feet to the beach below due to erosion. DPR intends to leave the remaining blocks embedded in the bluff in place because they have determined the blocks help to stabilize the bluff.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent acquisition. The tour of the property did reveal, as noted in this section, that the property purchase will include limited building improvements. So long as DPR can protect the public from these potential hazards, the buildings do not represent an exceptional long-term liability. The property also has an area of non-engineered concrete fill that was placed to stabilize the bluff. Gradual failure of this non-engineered condition will pose a long-term liability.
- The property was purchased for \$3,500,000 with state funds. The state grant funds used for the acquisition of this property did not exceed the fair market value determined by a DGS approved appraisal.
- The land was purchased by MLT with the understanding that the land would be donated to DPR. The covenants contemplate eventual transfer of the land to DPR. Should MLT use the land in a manner that is not consistent with some of the pertinent conditions of the covenant the land will revert to Caltrans. DPR is in a better position to manage this type of land.
- Staffing pertaining to the acquisition will be absorbed within the Department's existing support budget. DPR may apply for additional support costs, ranging from \$20,000 to \$100,000, for the maintenance and operation of the park but any additional support funding will be considered as part of the annual budget process.
- There are no tenants or relocation costs associated with this transfer.

Staff Recommendation: Authorize acquisition consistent with the staff analysis.

CONSENT ITEMS

CONSENT – ITEM 15

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
POWELL II PROPERTY, MORRO BAY STATE PARK
SAN LUIS OBISPO COUNTY
DPR Parcel Number A34300, DGS Parcel Number 10083

*Authority: Chapter 106/01, Item 2660-101-0183
Chapter 106/01, Item 0540-101-0001(1)*

a. Authorize site selection

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 15

Department of General Services
Department of Parks and Recreation
Powell II Property, Morro Bay State Park

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has provided for expenditure Program 20, State grant funds by the Department of Transportation (DOT) for local assistance, highway transportation from the Environmental Enhancement Mitigation Demonstration Program Fund. The Legislature has also provided for expenditure State grant funds by the Resources Agency for local assistance (coastal county) from the Secretary of Resources Grants Fund. This request will authorize site selection of a 40±-acre view shed property for the preservation of critical habitat. This property is located off Sage Avenue in the town of Los Osos along the east side of Morro Bay State Park. Although a relatively small parcel, its acquisition is key to protecting a wetland and riparian area adjacent to existing protected land and will prevent disturbances caused by nearby residential development.

Funding and Cost Verification

This project is within cost. Chapter 106/01, Item 2660-101-0183 provides expenditure authority to DOT of \$10,000,000, which can be used for grants of this nature, and there is sufficient balance remaining in the account to pay a portion of the total acquisition cost. The Grant is administered by DOT, which has approved funding for the acquisition of this property. Chapter 106/01, Item 0540-101-0001(1) also provides expenditure authority to the Resource Agency of \$3,147,000, which can be used for grants to cities or counties for projects of this nature. A grant has already been provided from this funding to San Luis Obispo County and the

County intends to provide a grant to the Trust for Public Lands (TPL) for the purposes of funding this acquisition. These funds will be deposited to the escrow with title passing to the State of California, acting by and through the Department of Parks and Recreation (DPR). The remaining funds have been secured by TPL for this acquisition. The remaining funding sources are: USFWS Section 6 Grant (\$650,000); Morro Bay National Estuary Program, Environmental Restoration Grant (\$250,000); for the total acquisition cost of \$1,500,000. All remaining funding will also be deposited directly into escrow with title passing to the State of California, acting by and through the Department of Parks and Recreation (DPR). Acquisition staff costs, including potential inspections of the property for compliance with the terms of the Grants, are the only costs to the Department of Parks and Recreation (DPR) for this acquisition.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on April 27, 2001, and the waiting period expired on June 1, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2002.

Other

- DPR indicates that approval of this acquisition will not obligate the State to additional operating costs other than potential inspections of the property for compliance with the terms of the Grants. The need for these funds will be reviewed as part of the budget process.
- The purchase price will not exceed the appraised value approved by DGS.
- The property is vacant and unimproved. There are no relocation costs associated with this property.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require delivery of clear title to the State.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection. The majority of the site is a potentially significant archaeological site that is likely to limit its future development.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 16

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MILL CREEK, DEL NORTE COUNTY
DPR Project A37000, DGS Parcel 10086

*Authority: Chapter 106/01, Item 3790-301-0005(29)
Chapter 106/01, Item 3600-301-6018(1)
Chapter 106/01, Item 3760-301-0005(3)
Chapter 52/00, Item 3640-302-0001*

a. Authorize site selection

PULLED. Moved to Action Items.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 16

Department of General Services
Department of Parks and Recreation
Mill Creek Project, Del Norte County

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. This project provides for the acquisition of approximately 25,000 acres adjacent to Jedediah Smith Redwoods State Park to the north and to Del Norte Coast Redwoods State Park to the south for the purposes of public access and habitat protection in Del Norte County.

Funding and Cost Verification

This project is within cost. Save the Redwoods League (SRL) has entered into a purchase option agreement with the property owner to acquire the property. SRL will assign the purchase option to the Department of Parks and Recreation (DPR) and will provide private donations for a portion of the purchase price. The Federal government has allocated grant funds through the U.S. Fish and Wildlife Service toward this acquisition. The property can be acquired in accordance with Legislative intent by supplementing the private donations plus the Federal contribution with funds from Chapter 52, Budget Act of 2000, Item 3640-302-0001 and from Chapter 106, Budget Act of 2001, Items 3600-301-6018(1), 3760-301-0005(3), and 3790-301-0005(29).

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 4, 2001, and the waiting period expired on November 8, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2002.

Other

- An environmental site assessment was performed by a private consultant, which included soil and water sampling. The report indicated some contamination from the use of the property for a lumber mill and remediation consistent with closing the mill site to the standards set forth by the Regional Water Quality Control Board is in process.
- DGS Environmental Services Staff have toured the property and reported no due diligence issues that would prevent site selection. A separate site condition report will be submitted to the Department of Finance on this property. In summary, this report states:
 - The property contains critical refugia for salmon and steelhead in Mill and Rock Creeks. The watershed and streams within the proposed purchase are essential to maintaining and improving North Coast salmonoid fisheries.
 - The proposed 25,000-acre acquisition will include approximately 200 acres of old-growth redwoods and Douglas firs; the acquisition will secure a large acreage of second-growth redwood forest watershed situated between adjacent state and federal parks, and special protection areas. The site includes habitat for threatened and endangered species.
 - The purchase agreement will need to establish post-acquisition abatement and monitoring responsibilities for the petroleum-contaminated areas associated with past fuel and lubricant usage at the mill.
 - The North Coast Regional Water Quality Board will need to conform that all of the long-term water quality issues have been addresses, including the near-term remediation of the petroleum-contaminated areas and long-term protection against soil erosion.
 - DPR and the Regional Board will need to establish a long-term fund for the potential removal of one underground tank that could be too harmful to the environment to remove until it is absolutely necessary. This account will need to contain adequate funds for removal of the tank and environmental restoration of the site.
 - The property contains several former mill-related structures, including two substantial single-story buildings covering several thousand square feet, large areas of paving, and building foundations. It is anticipated that all remaining structures and other improvements will be accepted in an "as is" condition.
 - DGS staff have concluded that few, if any, of the buildings have immediate re-use capabilities because of their respective condition and the absence of a functional domestic water system.
 - The proposed acquisition will include over 100 miles of logging roads, which are currently in good to excellent condition. DPR and/or the future control agency(s) will have to address maintenance of these roads for ongoing access and fire response.
 - The proposed acquisition will require DPR and/or the future control agency(s) to immediately provide security for the property to protect it from vandalism, poaching, timber theft, etc.
 - DPR and/or the future control agency(s) will need to be prepared to address on-going silvicultural responsibilities (thinning, vegetation control, insect infestations, etc.) of the second growth forests on the property.
 - The property, especially the former mill area, present future asset management opportunities (conservation camp, recreational facilities, equipment storage, movie production, etc.) if these uses are determined to be compatible with preservation of watershed values, old growth reserves, and endangered species habitat.
- The purchase price will not exceed the fair market value established by a Department of General Services (DGS) approved appraisal.

- DPR, Wildlife Conservation Board and Save-the-Redwoods League have been involved in discussions with the County regarding methods of compensating the County for the potential loss of revenue associated with having this property go into public ownership. The losses would be related to loss of timber yield and real property taxes.
- The road system currently costs \$200,000 annually to maintain.
- While requests for future staffing, operating and maintenance costs will be considered through the normal budget process, it is anticipated by PWB staff that there may be an immediate need of four positions and associated vehicles to secure and monitor the area.
- The structures on the site are vacant and no relocation assistance will be necessary. DPR plans to use the existing office for a visitor center and/ or DPR office and to restrict access to the rest of the structures by gating off road access to the mill site unless support funding becomes available. DPR anticipates that the costs to use the existing office are minimal and can be absorbed within the existing budget. If the buildings require modifications to meet existing codes and are unsuitable for use, DPR's estimated costs are probably understated.
- There is no implied dedication involved with this project.
- DPR is not aware of any lawsuits pending concerning the property.
- Currently DPR is involved in discussions related to potential restrictions that may be placed on the land. Some of the funding sources will dictate how the property may be used; however, other potential restrictions, that could restrict land divesting or development, may be avoidable.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT – ITEM 17

DEPARTMENT OF GENERAL SERVICES (1760)
SANTA MONICA MOUNTAINS CONSERVANCY (3810)
SADDLETREE CONSERVATION AND TRAIL EASEMENTS, LOS ANGELES COUNTY
Project Number SMC221D, DGS Parcel Number 10052

Authority: Public Resources Code Sections 33203 and 33203.5

a. **Authorize acquisition consistent with the staff analysis**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 17

Department of General Services
Santa Monica Mountains Conservancy
Saddletree Conservation and Trail Easements

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The project is consistent with and implements the Rim of the Valley Corridor Master Plan and fulfills the purposes of Division 23 of the Public Resources Code. This acquisition consists of 65 acres for a Conservation easement and 9.4 acres for a Trail easement that will be part of the Rim of the Valley Trail Corridor adopted by the State Legislature (Public Resources Code, Section 33204). The property lies between the City of Los Angeles Stetson Ranch Equestrian Center and a dedicated city trail through the Cascades Golf Course. With the exception of a dirt road, the parcels are unimproved. The subject parcels are owned by the Saddletree Homeowner's Association, however, only their governing board needs to approve these easement acquisitions

Funding and Cost Verification

This project is within cost.

\$220,000 total estimated project costs. \$195,000 for direct land costs,
\$25,000 administrative costs

\$0 project costs previously allocated.

\$0 project costs to be allocated. No funds need to be allocated. All necessary funding has been secured through a grant from Los Angeles County to the Santa Monica Mountains Conservancy.

CEQA

A Notice of Exemption was mailed to the State Clearinghouse on August 8, 2001, and the waiting period expires on September 12, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is February 2002.

Other:

- The property was site selected by the Public Works Board at the regularly scheduled September 14, 2001 meeting.
- The purchase price does not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- All management costs will be funded by the Mountains Recreation and Conservation Authority.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent acquisition of the easements.

Staff Recommendation: Authorize acquisition consistent with the staff analysis.

CONSENT ITEMS

CONSENT – ITEM 18

DEPARTMENT OF GENERAL SERVICES (1760)

DEPARTMENT OF CORRECTIONS (5240)

MONTEREY COUNTY

CTF, Soledad Hospital Wing Q, Seismic Retrofit Project

Authority: Chapter 52/00, Item 1760-301-0768 (15)

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 18

Department of General Services
CTF Soledad Hospital Wing Q Seismic Retrofit Project

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

This project is within scope. This project consists of a “Structural Only” Retrofit. Architectural/mechanical/electrical and hazardous material abatement costs are limited to incidental work to enable the structural retrofit. The design scheme consists of adding new reinforced concrete foundations and shear walls from the basement level to the underside of the roof structure in multiple transverse locations. The anchorage of the elevator machine room will also be strengthened. Work will occur while the building is occupied by medical staff and inmates assigned to the infirmary.

Funding and Project Cost Verification

This project is within cost.

\$2,581,000 total estimated project costs

\$174,000 project costs previously allocated: preliminary plans \$174,000

\$2,407,000 project costs to be allocated: working drawings \$187,000 and construction \$2,220,000 (\$1,544,000 contract, \$108,000 contingency, \$513,000 A&E, and guarding costs of \$242,000) at CCCI 4019.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on May 2, 2001, and the waiting period expired on June 6, 2001.

Project Schedule

The project schedule is as follows:

Approval working drawings: June 2002

Complete construction: June 2003

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEMS

CONSENT – ITEM 19

DEPARTMENT OF GENERAL SERVICES (1760)
MILITARY DEPARTMENT (8940)
AIRWAYS AVENUE MILITARY VEHICLE PARKING AND ACCESS ROAD,
FRESNO COUNTY
MIL 015, DGS Parcel Number 10019

Authority: Chapter 106/01, Item 8940-301-0604(1)

a. Authorize site selection

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 19

Department of General Services
Military Department
Airways Avenue Military Vehicle Parking And Access Road

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The project provides for acquisition of land to provide parking and to enhance access for the existing National Guard Armory located on East Airways Boulevard in Fresno California. The project proposes the acquisition in fee simple interest of two adjacent parcels of vacant land containing a total of approximately 2.78 acres.

Funding and Cost Verification

This project is within cost. Chapter 106, Budget Act of 2001, Item 8940-301-0604(1) provides \$600,000 for this acquisition. The property can be acquired with the funds available and in accordance with Legislative intent.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2002.

Other:

- The proposed site meets the location requirements of the Military Department.
- The site is vacant and unimproved.
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- There is no implied dedication involved with this project.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection.

Staff Recommendation: Authorize site selection

CONSENT ITEMS

CONSENT – ITEM 20

DEPARTMENT OF GENERAL SERVICES (1760)
MILITARY DEPARTMENT (8940)
BAKERSFIELD – UNION ARMORY, KERN COUNTY
MIL 014, DGS Parcel 9881

*Authority: Chapter 50/99, Item 8940-301-0001(3), as reappropriated by
Chapter 52/00, Item 8940-490(3)*

a. Recognize scope change

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 20

Department of General Services
Military Department, Bakersfield – Union Armory

Action Requested

The requested action will recognize a scope change for this project.

Scope Description

This project is not within scope. The Military Department is requesting a scope change to allow for acquisition of a larger site with no improvements. The appropriation is to acquire a specific site on Union Street in Bakersfield, Kern County, California, which is no longer available. At the January 2001 Public Works Board meeting, the Military Department requested and received approval of a scope change to allow for acquisition of an alternate site. A 20-day letter was sent to the Legislature on January 18, 2002, without comment.

The original site requirement was approximately nine improved acres to accommodate one new transportation unit. The Military Department has determined a second transportation unit needs to be housed in the Bakersfield area. In order to accommodate both transportation units, a scope change is required to increase the parcel size to 20 to 25 unimproved acres. \$540,000 in federal funding is available to complete the site improvements needed for a vehicle storage compound including fencing, lighting, and decomposed granite paving. A site search revealed several industrial properties that can be configured to yield at least a 20-acre vacant parcel. The acreage can be acquired within the funds available.

Funding and Project Cost Verification

This project is within cost.

\$2,665,000 total estimated project costs

\$2,125,000 state funded project costs to be allocated: \$50,000 environmental study;
\$2,075,000 acquisition.

\$540,000 federally funded project costs to be allocated: \$500,000 contract; \$40,000 A&E
(decomposed granite paving, security fencing and lighting).

Project Schedule

The project schedule is as follows:

Other

- The acquisition cost shall not exceed estimated fair market value as determined by a DGS appraisal.
- Improvements will be federally funded.

Staff Recommendation: Recognize scope change.

CONSENT ITEMS

CONSENT – ITEM 21

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
LASSEN-MODOC RANGER UNIT HEADQUARTER (RUH), LASSEN COUNTY
Replace Apparatus Building and Auto Shop

Authority: Chapter 106/01, Item 3540-301-0660(3)

a. **Approve augmentation** **\$222,850**
(16.3 percent construction)
(14.4 percent total project)

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 21

Department of Forestry and Fire Protection
Lassen-Modoc RUH – Replace Apparatus Building and Auto Shop

Action requested

The requested action will approve an augmentation for this project.

Scope Description

This project is within scope. The approved project authorizes the construction of a new 5-bay auto shop with attached bulldozer storage and the construction of an apparatus building. The project also includes associated site work and utilities.

Funding and Cost Verification

This project is not within cost. Item 3540-301-0660(3), Budget Act of 2001, appropriated \$1,378,000 (\$925,000 contract) for the construction phase of this project. However, based on contract bids received (with a low bid of \$1,137,000), an additional \$222,850 will be needed to award the contract and complete the project as legislatively approved. The additional amount requested includes the difference in contract costs and slight adjustments to construction contingency and project indexing.

This project was within budget when it was bid, and CDF took appropriate measures during the design phases of this project to mitigate the need for additional funds. Based on an analysis of the bids received, the additional costs have been attributed to the transportation of materials to this remote site (Susanville) and local market conditions. Therefore, CDF requests approval of the augmentation to allow for the continuation of this project. A 20-Day letter was sent to the Legislature on January 18, 2002, without comment.

\$1,775,000 total estimated project costs

\$1,552,000 total authorized project costs

\$174,000 project costs previously allocated: preliminary plans \$105,000 and working drawings \$69,000

\$1,378,000 project costs to be allocated: working drawings \$13,000 and construction \$1,365,000 (\$925,000 contract, \$46,000 contingency, \$108,000 A &E, and \$286,000 agency retained)

\$223,000 augmentation requested \$223,000 (\$212,000 contract and \$11,000 contingency)

CEQA

A Notice of Determination was filed with the State Clearinghouse on April 6, 1999 and the waiting period expired on May 6, 1999.

Project Schedule

The project schedule is as follows:

Complete construction: January 2003

Staff Recommendation: Approve augmentation

CONSENT ITEMS

CONSENT – ITEM 22

DEPARTMENT OF PARKS AND RECREATION (3790)
OLOMPALI STATE HISTORIC PARK, MARIN COUNTY
Rehabilitation of Frame House

Authority: Chapter 106/01, Item 3790-301-0005(6)
TEA Grant

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 22

Department of Parks and Recreation
Olompali State Historic Park, Marin County
Rehabilitation of Frame House

Action requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project will upgrade the historic Frame House at Olompali State Historic to contain a new visitor center with sufficient space for interpretation of park history, audio visual program areas, sales areas, space for park operations and volunteer group functions, and public restrooms. A new connection will be made to the existing municipal water system. Electrical, telephone, septic, and propane systems will be provided. A decomposed granite walkway and asphalt parking spaces will provide disabled access from the existing parking lot to the Frame House.

Funding and Cost Verification

This project is within cost. Funding for the Olompali Frame House project includes \$1,082,000 from bond funds and \$41,000 in TEA grant reimbursements through the 2001 Budget Act provided and an additional \$95,000 provided through other TEA grants. The department has been unable to secure the necessary approvals to meet federal requirements regarding the \$41,000 in TEA grant funds. Therefore, the project will be proceeding with only the bond funding and the original TEA grant funds. The preliminary plan estimate indicates that the full project scope can be accomplished using these funds while showing bond fund savings. Based on the preliminary estimate and necessary mitigation costs, the total project cost is estimated at \$1,154,000.

\$1,154,000 total estimated project costs

\$95,000 Project costs previously allocated: preliminary plans \$95,000

\$1,059,000 project costs to be allocated: working drawings \$172,000, construction \$887,000 (\$493,000 contract, \$34,000 contingency, \$136,000 A&E costs, \$224,000 agency retained items), at CCCI 4019.

\$64,000 estimated savings (\$41,000 in TEA grants and \$23,000 in bond funds)

CEQA

A Notice of Determination was filed with the State Clearinghouse on December 10, 2001, and the waiting period expired on January 10, 2002.

Project Schedule

The project schedule is as follows:

Complete construction: May 2003

Staff Recommendation: Approve preliminary plans.

CONSENT ITEMS

CONSENT – ITEM 23

DEPARTMENT OF CORRECTIONS (5240)

STATEWIDE

Small Management Exercise Yards

Authority: Chapter 52/00, Item 5240-301-0001(1.5)

- a. **Correction to the scope description, Consent Item 16, as approved at the April 13, 2001, State Public Works Board meeting**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 23

Department of Corrections
Statewide, Small Management Exercise Yards

Action requested

Correction to the scope description, Consent Item 16, as approved at the April 13, 2001, State Public Works Board meeting. Within the approved scope the California State Prison-Los Angeles was inadvertently inserted in place of the California Correctional Institution. The corrected scope reads as shown below.

Scope Description

This project is within scope. The purpose of this project is to construct 92 small management exercise yards at four maximum-security housing institutions to provide out-of-cell exercise to Administrative Segregation population inmates. These small management yards, which will be constructed at High Desert State Prison, California State Prison-Sacramento, California Correctional Institution, and Salinas Valley State Prison, shall be 10' x 15' chain link enclosures with partial pan deck covering. The yards also include sanitation facilities that will require connection to the institution's utility systems. The Department expects to utilize five inmates at each of the four above-mentioned locations.

Funding and Cost Verification

This project is within cost.

\$1,380,000 total estimated project cost

\$33,000 project costs previously allocated: preliminary plans \$11,000 and working drawings \$22,000

\$1,347,000 project costs to be allocated: construction (\$1,239,000 contracts, \$46,000 contingency, \$25,000 project administration, and \$37,000 agency-retained)

CEQA

CEQA is not required because this project only converts a large exercise yard into smaller, safer, and more manageable exercise yards.

Project Schedule

The project schedule is as follows:

Complete construction: July 2002

Staff Recommendation: Approve the scope correction.

CONSENT ITEMS

CONSENT – ITEM 24

DEPARTMENT OF CORRECTIONS (5240)
PELICAN BAY STATE PRISON, DEL NORTE COUNTY

*Authority: Chapter 532/86, Section 5
Chapter 532/86, Section 3(a)
Chapter 533/86*

- a. **Approve the redirection of funds within the appropriation to reflect actual expenditures**
- b. **Recognize this project as complete**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 24

Department of Corrections
Pelican Bay State Prison, Del Norte County

Action requested

The requested action will redirect funds from various cost categories to reflect actual expenditures, and recognize this project as complete.

Scope Description

This project is within scope. The Pelican Bay State Prison was authorized, designed, and constructed to provide for long-term housing and services for men who have been convicted of felonies, remanded to the State for incarceration, and classified as Level IV and Security Housing Unit (SHU) inmates. This 2,280-bed institution provides cells for 1,056 SHU inmates, 1,024 Level IV inmates and 200 Level I inmates. The prison is located in Crescent City in the Del Norte County.

Funding and Cost Verification

This project is within cost.

\$229,845,000 total project costs

\$229,845,000 project costs previously allocated: preliminary plans \$3,389,000; working drawings \$5,147,000; project administration \$16,108,000; equipment \$4,944,000; long lead \$1,430,000; acquisition \$108,000; PIA equipment \$1,916,000, agency retained \$10,557,000 and construction \$186,246,000 (contract \$160,758,000; contingency \$22,764,000; and A&E \$2,724,000)

CEQA

An Environmental Assessment Study was approved by the Legislature during February 1987.

Project Schedule

The project schedule was as follows:

The initial occupancy of the prison took place December 1989. Final occupancy was completed in March 1990. Approximately half of the cells in prison are designated as Security Housing Units (SHU) which consists of two buildings (Facilities C & D). To correct a cell door malfunction, construction was started and completed on the retrofit in 1991. Construction was started and completed on the Psychiatric Services Unit in 1996 to comply with Court ordered mandates on the Madrid vs. Gomez lawsuit.

Staff Recommendation: **Approve the redirection of funds to reflect actual expenditures and recognize this project as complete.**

CONSENT ITEMS

CONSENT – ITEM 25

DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA STATE PRISON, SOLANO, VACAVILLE - SOLANO COUNTY
Correctional Clinical Case Management

Authority: Chapter 282/97, Item 5240-303-0001 (7)
Chapter 324/98, Item 5240-301-0001 (16)
Chapter 50/99, Item 5240-301-0001 (6)
Chapter 52/00, Item 5240-301-0001 (48)

a. **Approve use of Inmate Day Labor**

b. **Approve augmentation** **\$71,000**
(12.1 percent of construction phase)
(9.8 percent of total project)

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 25

Department of Corrections
California State Prison, Solano, Vacaville – Solano County
Correctional Clinical Case Management System

Action requested

The requested action will approve the use of Inmate Day Labor (IDL) resources pursuant to Public Contract Code Section 10103.5, and an augmentation.

Scope Description

This project is within scope. The project is comprised of a new, single story free-standing wood framed building, which will provide approximately 1,853 gross square feet of Correctional Clinical Case Management System space, and related site improvements. The building includes offices and other support areas. Site improvements include grading, building pad preparation, utility connections, site lighting, fencing, and concrete walkways. The IDL anticipates employing 18 inmates for this project.

Funding and Cost Verification

This project is not within cost. Using IDL, additional funding for project management and telecommunications is necessary to complete the construction phase of this project. The additional funds, which were not included in the IDL preliminary plan cost estimate, represent a total of 9.8 percent of the total project appropriation. Using DGS, the Department would have to seek a new construction appropriation exceeding 29 percent in the 2002/03 Governor's Budget.

\$797,000 total estimated project costs

\$726,000 project costs previously allocated (preliminary plans \$47,000, working drawings \$94,000); construction (contract \$398,000; contingency \$20,000; project administration \$77,000; agency retained \$90,000)

\$71,000 augmentation required

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 7, 1998, and the waiting period expired on September 11, 1998.

Project Schedule

The project schedule is as follows:

Complete construction: March 2003

Staff Recommendation: Approve use of Inmate Day Labor and augmentation.

CONSENT ITEMS

CONSENT – ITEM 26

DEPARTMENT OF YOUTH AUTHORITY (5460)
SOUTHERN CALIFORNIA YOUTH CORRECTIONAL RECEPTION CENTER AND CLINIC
NORWALK, LOS ANGELES COUNTY
Specialized Counseling Beds

Authority: Chapter 52/00, Item 5460-301-0001 (3)

a. Recognize scope change

PULLED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 26

Department of Youth Authority, Southern California Youth Reception Center/Clinic
Specialized Counseling Program Beds

Action Requested

The requested action will recognize a scope change for this project.

Scope Description

This project is not within scope. A scope change is required to adjust the proposed design of the treatment space to match the current program staffing and treatment. This project was to construct approximately 6,600 sq. ft. of program space and to renovate the existing Marshall Living Unit (8,500 sq. ft.) by converting the current multiple/single living spaces into single occupant secure rooms at the Southern California Youth Correctional Reception Center/Clinic in Norwalk. Subsequent changes in the staffing and treatment configurations resulting from refinement of the program require changes to the proposed design of the treatment space complex. This problem was recognized just a preliminary plans were commencing and the project was put on hold until the issues could be resolved. The Department provides a wide range of mental health services and a more generic structure that can accommodate current and future mental health treatment needs would be more valuable. The proposed scope change will allow Youth Authority to design a building that can accommodate the current staffing levels and program and also design an extension to the building that will allow it to be easily expanded at a future time when additional space is needed for the program and staff. In addition, a perimeter security fence needs to be relocated to accommodate the project. It is anticipated that the design will result in a smaller program space. The estimated cost of construction will be revised when the design work is completed.

Funding and Project Cost Verification

The project is within budget

\$3,606,000 total estimated project cost

 \$141,000 project costs previously allocated: preliminary plans \$129,000; augmentation \$12,000

\$3,465,000 project costs to be allocated: working drawings \$207,000; construction \$3,238,000 (\$2,660,000 contract; \$186,000 contingency; \$340,000 A&E; \$52,000 agency retained); \$20,000 working drawing augmentation

CEQA

Notice of Exemption will be filed with the State Clearinghouse on November 3, 2000, and the waiting period expired on December 10, 2000.

Project Schedule

The project schedule is as follows:

Approve working drawings: February 2003

Completion construction: April 2004

Staff Recommendation: Recognize scope change.

CONSENT ITEMS

CONSENT – ITEM 27

UNIVERSITY OF CALIFORNIA (6440)
MERCED CAMPUS, MERCED COUNTY
Site Development and Infrastructure, Phase 1

Authority: Chapter 52/00, Item 6440-301-0574 (22)
Chapter 106/01, Item 6440-301-0660 (2)

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 27

University of California, Merced
Site Development and Infrastructure, Phase 1

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

This project is within scope. The Site Development and Infrastructure project, implemented in three phases, will provide for the site development and infrastructure necessary to establish the new campus and support an enrollment of 6,000 FTE students by 2010-11, the first phase of campus development.

The State Public Works Board approved a reallocation of funds within this appropriation on November 9, 2001. The preliminary plans being submitted are for the comprehensive scope of all the three phases.

UC advises that it is working to resolve various technical issues associated with the title to the property at the proposed UC Merced campus. Staff is not aware of any major impediments to resolution of these title issues, but will inform the Board if complications develop in this area.

Funding and Project Cost Verification

This project is within cost.

\$76,826,000 total estimate costs

\$47,012,000 total appropriated

\$3,437,000 project costs previously allocated: preliminary plans \$3,437,000

\$73,389,000 to be allocated: working drawings \$3,044,000; construction \$70,345,000
(\$40,531,000 current appropriations: \$29,814,000 future appropriations)

CEQA

The University certifies that the project is in compliance with CEQA.

Project Schedule

The project schedule is as follows:

Approve working drawings:	April 2002
Complete construction:	August 2004

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEMS

CONSENT – ITEM 28

CALIFORNIA COMMUNITY COLLEGES (6870)
MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT,
MONTEREY PENINSULA COLLEGE, MONTEREY COUNTY
Plant Services Complex (H & S)

Authority: Chapter 106/01, Item 6870-301-0574 (35)

- a. Approve preliminary plans**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 28

California Community Colleges
Monterey Peninsula Community College District, Monterey Peninsula College, Monterey County
Plant Services Complex (H & S)

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds.

Scope Description

The project is within scope. This project constructs new plant services complex on the other side of the campus of 12,229 asf with 2,349-asf office and 9,880 of other space. Local funds will also be provided to demolish the old facilities of 11,122 asf with 1,193-asf office and 9,929 asf of other space.

Funding and Project Cost Verification

The project is within cost. An electrical feed sub-station is needed to complete this project and was not included in the original estimate. It is estimated that this would cost approximately \$128,000. The department has been directed to add the electrical feed sub-station in the project and bring the project in within cost.

\$2,359,000 total estimated project costs

\$70,000 state funding previously allocated

\$2,280,000 to be allocated: working drawings \$84,000, construction \$2,126,000 (contracts \$1,853,000, contingency \$93,000, testing, A & E and construction management \$180,000) at CCCI 4019, and equipment \$70,000 at EI 2502

CEQA

A Negative Declaration was filed with the state clearinghouse on January 7, 2002 and the waiting period will expire on February 8, 2002.

Project Schedule

The project schedule is as follows:

Complete construction August 2003

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEMS

CONSENT – ITEM 29

CALIFORNIA COMMUNITY COLLEGES (6870)
CITRUS COMMUNITY COLLEGE DISTRICT,
CITRUS COLLEGE, LOS ANGELES COUNTY
Math/Science Building Replacement

Authority: Chapter 106/01, Item 6870-301-0574 (13)

- a. Approve preliminary plans**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 29

California Community Colleges
Citrus Community College District, Citrus College, Los Angeles County
Math/Science Building Replacement

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds.

Scope Description

The project is within scope. The project constructs a 23,391 asf math and science building with 10,408 asf lecture, 6,942 asf lab, 3,205 asf office, and 2,834 asf other space to replace an existing building of the same size. The existing building has failing infrastructure and cannot be reconstructed effectively.

Funding and Project Cost Verification

The project is within cost.

\$9,226,000 total estimated project costs

\$464,000 state funding previously allocated for preliminary plans.

\$8,762,000 to be allocated: working drawings \$324,000, construction \$8,324,000 (contracts \$7,468,000, contingency \$373,000, testing and inspection, A & E and construction management, \$483,000) at CCCI 4019 and equipment \$114,000 at EI 2564.

CEQA

A Notice of Exemption was filed with the state clearinghouse on July 22, 1993 and the waiting period expired on August 28, 1993.

Project Schedule

The project schedule is as follows:

Complete construction August 2004

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEMS

CONSENT – ITEM 30

**CALIFORNIA COMMUNITY COLLEGES (6870)
CHAFFEY COMMUNITY COLLEGE DISTRICT,
CHAFFEY COLLEGE, SAN BERNARDINO COUNTY**
Science Building

Authority: Chapter 106/01, Item 6870-301-0574 (12)

- a. Approve preliminary plans**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 30

California Community Colleges
Chaffey Community College District, Chaffey College, Rancho Cucamonga,
San Bernardino County Science Building

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

The project is within scope. The authorized scope of the project constructs a two building science complex totaling 21,352 assignable square feet (asf) with 2,324 asf lecture, 13,998 asf laboratory, 3,331 asf office, 597 asf library space and 1,102 asf other spaces and replaces the instructional space dedicated to biology, chemistry, physics, engineering and biological science programs.

Funding and Cost Verification

This project is within cost.

\$10,226,000 total estimated project costs

\$326,000 state funds previously allocated: preliminary plans \$326,000

\$9,900,000 state funds to be allocated: working drawings \$347,000, construction \$9,489,000 (\$8,543,000 contracts, \$427,000 contingency and \$519,000 tests and inspections, architectural oversight during construction, and construction management) at CCCI 4019 and \$64,000 equipment at EI 2564.

CEQA

A Notice of Exemption was filed with the state Clearinghouse on November 8, 2001, and the waiting period expired on December 13, 2001.

Project Schedule

The project schedule is as follows:

Complete construction December 2004

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEMS

CONSENT – ITEM 31

CALIFORNIA COMMUNITY COLLEGES (6870)
CONTRA COSTA COMMUNITY COLLEGE DISTRICT,
DIABLO VALLEY COLLEGE, CONTRA COSTA COUNTY
Seismic Retrofit – Humanities Building

Authority: Chapter 106/01, Item 6870-301-0574 (18)

- a. Approve preliminary plans**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 31

California Community Colleges
Contra Costa Community College District, Diablo Valley College, Contra Costa County
Seismic Retrofit – Humanities Building

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

The project is within scope. The project corrects the seismic deficiencies as identified in the 1996 Division of State Architect survey for the Humanities Building.

Funding and Project Cost Verification

The project is within cost.

\$894,000	total estimated project costs
\$43,000	state funding previously allocated
\$851,000	to be allocated: working drawings \$37,000, construction \$814,000 (contracts \$682,000, contingency \$48,000, testing, A & E and construction management, \$84,000) at CCCI 4019

CEQA

A Categorical Exemption was filed with the state Clearinghouse on September 24, 2001 and the waiting period expired on October 29, 2001.

Project Schedule

The project schedule is as follows:

Complete construction	May 2003
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Staff Recommendation: **Approve preliminary plans and the release of working drawing funds.**

CONSENT ITEMS

CONSENT – ITEM 32

CALIFORNIA COMMUNITY COLLEGES (6870)
DESERT COMMUNITY COLLEGE DISTRICT,
COLLEGE OF THE DESERT, RIVERSIDE COUNTY
Seismic Retrofit – Dining Hall

Authority: Chapter 106/01, Item 6870-301-0574 (14)

- a. Approve preliminary plans**

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 32

California Community Colleges
Desert Community College District, College of the Desert, Riverside County
Seismic Retrofit – Dining Hall

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

The project is within scope. The project corrects the seismic deficiencies as identified in the 1996 Division of State Architect survey for the Humanities Building.

Funding and Project Cost Verification

The project is within cost.

\$1,067,000 total estimated project costs

\$34,000 state funding previously allocated

\$1,033,000 to be allocated: working drawings \$44,000, construction \$989,000 (contracts \$797,000, contingency \$56,000, testing, inspection, & A & E, \$136,000) at CCCI 4019

CEQA

A Categorical Exemption was filed with the state Clearinghouse on February 27, 2001 and the waiting period expired on April 4, 2001.

Project Schedule

The project schedule is as follows:

Complete construction July 2003

Staff Recommendation: **Approve preliminary plans and the release of working drawing funds.**

CONSENT ITEMS

CONSENT – ITEM 33

CALIFORNIA COMMUNITY COLLEGES (6870)
NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT,
FULLERTON COLLEGE, ORANGE COUNTY
Library/Learning Resource Center

Authority: Chapter 106/01, Item 6870-301-0574 (40)

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 33

California Community Colleges
North Orange County Community College District, Fullerton College, Orange County
Library/Learning Resource Center

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

The project is within scope. This project constructs a library/learning resource center. Progression to preliminary plans have resulted in the following space refinements: laboratory from 11,200 asf to 11,085 asf, -115 asf; office from 2,345 asf to 2,400 asf, +55 asf; library from 36,760 asf to 36,635 asf, -125 asf; AVTV from 3,190 asf to 3,275 asf, +85 asf; and other space from 1,150 asf to 1,025 asf, -125 asf. Total building asf has been adjusted from 54,645 asf to 54,420 asf, -225 asf.

Funding and Project Cost Verification

The project is within cost.

\$17,702,000 total estimated project costs

\$767,000 state funding previously allocated

\$16,935,000 to be allocated: working drawings \$617,000, construction \$15,926,000 (contracts \$14,397,000, contingency \$720,000, testing, A & E and construction management \$809,000) at CCCI 4019, and equipment \$392,000 at EI 2564

CEQA

A Negative Declaration was filed with the state clearinghouse on December 10, 2001 and the waiting period expired on January 8, 2002.

Project Schedule

The project schedule is as follows:

Complete construction August 2004

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEMS

CONSENT – ITEM 34

CALIFORNIA COMMUNITY COLLEGES (6870)
SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT,
NORTH COUNTY CENTER, SAN LUIS OBISPO COUNTY
Initial Building – Science Cluster

Authority: Chapter 106/01, Item 6870-301-0574 (59)

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 34

California Community Colleges
San Luis Obispo County Community College District, North County Center,
Initial Building – Science Cluster

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

The project is within scope. This project constructs a 23,734 asf for a new science and mathematics building. The project contains 2,990-asf office, 4,466-asf lecture, 15,580-asf laboratory, and 428 asf of other support space.

Funding and Project Cost Verification

The project is within cost.

\$10,404,000 total estimated project costs

\$334,000 project costs previously allocated: preliminary plans

\$10,070,000 project costs to be allocated: working drawings \$313,000, construction \$8,107,000 (contracts \$7,232,000, contingency \$362,000, testing, A & E and construction management \$513,000) at CCCI 4019, and equipment \$1,650,000 at EI 2564

CEQA

A Negative Declaration was filed with the state clearinghouse on March 29, 1998 and the waiting period expired on April 30, 1998. The state clearinghouse number is 97031034.

Project Schedule

The project schedule is as follows:

Complete construction February 2005

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

ACTION ITEMS

ACTION – ITEM 4

DEPARTMENT OF GENERAL SERVICES (1760)

JUDICIAL COUNCIL (0250)

FOURTH APPELLATE DISTRICT NEW COURTHOUSE, ORANGE COUNTY

DGS Parcel Number 10002, JCC Parcel Number 001

Authority: Chapter 52/00, Item 0250-301-0001(2)

a. Authorize site selection

APPROVED. – Moved from Consent Calendar.

ACTION ITEMS

STAFF ANALYSIS – ITEM 4

Department of General Services
Judicial Council of California
Fourth Appellate District New Courthouse

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The project provides for acquisition of land and the construction of a replacement facility for the Fourth Appellate District Court in Santa Ana. The acquisition phase of the project includes acquiring fee simple interest in a parcel of approximately 1.5 acres of land that is presently improved with a juvenile detention facility and a public parking lot. The property is owned by local government, which has offered to deliver the property to the State of California with the detention facility removed from the property.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 0250-301-0001(2) provides \$2,783,000 for this acquisition of fee simple interest. The property can be acquired with the funds available and in accordance with Legislative intent.

\$14,943,000 total estimated project costs

\$3,215,000 project costs previously allocated: acquisition and preliminary plans

\$11,728,000 project costs to be allocated: working drawings \$604,000 and construction \$11,124,000 (\$9,452,000 contract, \$472,000 contingency, \$1,200,000 project administration)

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is August 31, 2002.

Other:

- The proposed site meets the location requirements of the Judicial Council of California (JCC).
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- There is no implied dedication involved with this project.
- DGS Environmental Services Staff have toured the property and reported no due diligence issues that would prevent site selection.

Staff Recommendation: Authorize site selection.

ACTION ITEMS

ACTION – ITEM 16

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MILL CREEK, DEL NORTE COUNTY
DPR Project A37000, DGS Parcel 10086

*Authority: Chapter 106/01, Item 3790-301-0005(29)
Chapter 106/01, Item 3600-301-6018(1)
Chapter 106/01, Item 3760-301-0005(3)
Chapter 52/00, Item 3640-302-0001*

a. Authorize site selection

APPROVED. – Moved from Consent Calendar.

ACTION ITEMS

STAFF ANALYSIS – ITEM 16

Department of General Services
Department of Parks and Recreation
Mill Creek Project, Del Norte County

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. This project provides for the acquisition of approximately 25,000 acres adjacent to Jedediah Smith Redwoods State Park to the north and to Del Norte Coast Redwoods State Park to the south for the purposes of public access and habitat protection in Del Norte County.

Funding and Cost Verification

This project is within cost. Save the Redwoods League (SRL) has entered into a purchase option agreement with the property owner to acquire the property. SRL will assign the purchase option to the Department of Parks and Recreation (DPR) and will provide private donations for a portion of the purchase price. The Federal government has allocated grant funds through the U.S. Fish and Wildlife Service toward this acquisition. The property can be acquired in accordance with Legislative intent by supplementing the private donations plus the Federal contribution with funds from Chapter 52, Budget Act of 2000, Item 3640-302-0001 and from Chapter 106, Budget Act of 2001, Items 3600-301-6018(1), 3760-301-0005(3), and 3790-301-0005(29).

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 4, 2001, and the waiting period expired on November 8, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2002.

Other

- An environmental site assessment was performed by a private consultant, which included soil and water sampling. The report indicated some contamination from the use of the property for a lumber mill and remediation consistent with closing the mill site to the standards set forth by the Regional Water Quality Control Board is in process.
- DGS Environmental Services Staff have toured the property and reported no due diligence issues that would prevent site selection. A separate site condition report will be submitted to the Department of Finance on this property. In summary, this report states:
 - The property contains critical refugia for salmon and steelhead in Mill and Rock Creeks. The watershed and streams within the proposed purchase are essential to maintaining and improving North Coast salmonoid fisheries.
 - The proposed 25,000-acre acquisition will include approximately 200 acres of old-growth redwoods and Douglas firs; the acquisition will secure a large acreage of second-growth redwood forest watershed situated between adjacent state and federal parks, and special protection areas. The site includes habitat for threatened and endangered species.
 - The purchase agreement will need to establish post-acquisition abatement and monitoring responsibilities for the petroleum-contaminated areas associated with past fuel and lubricant usage at the mill.
 - The North Coast Regional Water Quality Board will need to conform that all of the long-term water quality issues have been addresses, including the near-term remediation of the petroleum-contaminated areas and long-term protection against soil erosion.
 - DPR and the Regional Board will need to establish a long-term fund for the potential removal of one underground tank that could be too harmful to the environment to remove until it is absolutely necessary. This account will need to contain adequate funds for removal of the tank and environmental restoration of the site.
 - The property contains several former mill-related structures, including two substantial single-story buildings covering several thousand square feet, large areas of paving, and building foundations. It is anticipated that all remaining structures and other improvements will be accepted in an "as is" condition.
 - DGS staff have concluded that few, if any, of the buildings have immediate re-use capabilities because of their respective condition and the absence of a functional domestic water system.
 - The proposed acquisition will include over 100 miles of logging roads, which are currently in good to excellent condition. DPR and/or the future control agency(s) will have to address maintenance of these roads for ongoing access and fire response.
 - The proposed acquisition will require DPR and/or the future control agency(s) to immediately provide security for the property to protect it from vandalism, poaching, timber theft, etc.
 - DPR and/or the future control agency(s) will need to be prepared to address on-going silvicultural responsibilities (thinning, vegetation control, insect infestations, etc.) of the second growth forests on the property.
 - The property, especially the former mill area, present future asset management opportunities (conservation camp, recreational facilities, equipment storage, movie production, etc.) if these uses are determined to be compatible with preservation of watershed values, old growth reserves, and endangered species habitat.
- The purchase price will not exceed the fair market value established by a Department of General Services (DGS) approved appraisal.

- DPR, Wildlife Conservation Board and Save-the-Redwoods League have been involved in discussions with the County regarding methods of compensating the County for the potential loss of revenue associated with having this property go into public ownership. The losses would be related to loss of timber yield and real property taxes.
- The road system currently costs \$200,000 annually to maintain.
- While requests for future staffing, operating and maintenance costs will be considered through the normal budget process, it is anticipated by PWB staff that there may be an immediate need of four positions and associated vehicles to secure and monitor the area.
- The structures on the site are vacant and no relocation assistance will be necessary. DPR plans to use the existing office for a visitor center and/ or DPR office and to restrict access to the rest of the structures by gating off road access to the mill site unless support funding becomes available. DPR anticipates that the costs to use the existing office are minimal and can be absorbed within the existing budget. If the buildings require modifications to meet existing codes and are unsuitable for use, DPR's estimated costs are probably understated.
- There is no implied dedication involved with this project.
- DPR is not aware of any lawsuits pending concerning the property.
- Currently DPR is involved in discussions related to potential restrictions that may be placed on the land. Some of the funding sources will dictate how the property may be used; however, other potential restrictions, that could restrict land divesting or development, may be avoidable.

Staff Recommendation: Authorize site selection.

ACTION ITEMS

ACTION – ITEM 35

DEPARTMENT OF GENERAL SERVICES (1760)

DEPARTMENT OF PARKS AND RECREATION (3790)

DONNER MEMORIAL STATE PARK, SCHALLENBERGER RIDGE, PLACER COUNTY

DGS Parcel Number 10044, DPR Parcel Number A33801

*Authority: Chapter 52/00, Item 3790-301-0262(1)
Chapter 106/01, Item 3790-301-0890(1)*

a. Authorize site selection

APPROVED.

ACTION ITEMS

STAFF ANALYSIS – ITEM 35

Department of General Services

Department of Parks and Recreation

Donner Memorial State Park, Schallenberger Ridge at Donner Memorial SP

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved funding for the purchase of additions to the State Park System consistent with the purposes and requirements of the 2000/01 Habitat Conservation Fund and 2001/02 Federal Trust Fund Appropriations made for this purpose, without specifying specific parcels. This requested action will authorize site selection of two non-contiguous parcels totaling approximately 750 acres at Schallenberger Ridge.

Funding and Cost Verification

This project is within cost. The property can be acquired in accordance with Legislative intent with funds available from Item 3790-301-0262(1) of Chapter 52, Budget Act of 2000 and Item 3790-301-0890(1) of Chapter 106, Budget Act of 2001.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on April 17, 2001, and the waiting period expired on May 21, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2002.

Other:

- The property was appraised by a private appraisal firm and reviewed by the Department of General Services (DGS). The purchase will not exceed the DGS approved fair market value.
- One of the two sites is contiguous to the Donner Memorial State Park. Adjacent land will be considered for acquisition pending availability of future funding and willing sellers.
- Both sites are partially bordered by Southern Pacific Railroad right of way.
- The seller will reserve a road easement across an existing dirt road for the purpose of providing access to the owner's adjacent property.
- Department of Parks and Recreation (DPR) is not aware of any lawsuits pending on the property. The property acquisition agreement will require delivery of title to the State free and clear of any liens.
- DGS Environmental Services staff have toured the property and reported no due diligence issues that would prevent site selection.
- Staffing pertaining to the acquisition of this property will be absorbed within DPR's existing support budget.

Staff Recommendation: Authorize site selection.

ACTION ITEMS

ACTION – ITEM 36

EMPLOYMENT DEVELOPMENT DEPARTMENT (5100)
TORRANCE: RENOVATION AND ASBESTOS ABATEMENT
Los Angeles County

Authority: Chapter 50/99, Item 5100-301-0870 (3)
Chapter 52/00, Item 5100-301-0870 (2)

- a. **Approve project termination**
- b. **Approve reversion** **\$1,782,000**

APPROVED.

ACTION ITEMS

STAFF ANALYSIS – ITEM 36

Employment Development Department
Torrance: Renovation and Asbestos Abatement

Action Requested

The requested action will approve the termination of the project and the reversion of funds.

Scope Description

The project is within scope. The project provided for the remodel of the 12,341 square foot Torrance office building. Work was to include replacing the flooring, ceiling, HVAC equipment and controls, roofing, bathroom fixtures, exterior windows, electrical, exterior and interior doors and hardware, relocating and replacing interior walls, and site improvements for parking. All work was to conform to current codes and abate asbestos where found.

The project was intended to remodel the Torrance building to allow for a One-Stop facility, in which the Employment Development Department (EDD) would co-locate with local government agencies to provide employment services to the public. However, after the completion of working drawings, the local agencies notified the EDD that they would not be locating in the building, but rather would be occupying leased space with the Southern California Regional Occupational Center (Center). In order to continue providing employment services in concert with other partners, the EDD intends to vacate the Torrance building and also occupy leased space at the Center. The EDD believes that this will best enable it to provide services to the public and therefore, requests that the capital outlay project be cancelled and the construction funds totaling \$1,782,000 be reverted to the Unemployment Administration Fund. A 20-day scope change letter was sent to the Legislature on January 18, 2002, without comment.

Funding and Cost Verification

This project is within cost.

\$1,988,000 total estimated project cost

\$206,000 project costs previously allocated: \$79,000 preliminary plans; \$127,000 working drawings

\$1,782,000 construction funds to be reverted

CEQA

A Notice of Exemption was filed with the State Clearinghouse on April 11, 2000, and the waiting period expired on May 17, 2000.

Project Schedule

N/A

Staff Recommendation: Approve project termination and reversion of funds.

ACTION ITEMS

ACTION – ITEM 37

DEPARTMENT OF YOUTH AUTHORITY (5460)

N. A. CHADERJIAN YOUTH CORRECTIONAL FACILITY, SAN JOAQUIN COUNTY

Construct 50-Bed Specialized Counseling Program

Authority: Chapter 106/01, Item 5460-301-0001 (5)

- | | | |
|-----------|------------------------------------|------------------|
| a. | Approve project termination | |
| b. | Approve reversion | \$147,000 |

APPROVED.

ACTION ITEMS

STAFF ANALYSIS – ITEM 37

Department of the Youth Authority
N. A. Chaderjian Youth Correctional Facility

Action Requested

The requested action will approve termination of the project and reversion of funds.

Scope Description

The project is not within scope. This project is to convert the Feather Hall Living Unit to a fifty-bed Specialized Counseling Program (SCP) to treat sex offender commitments or wards with sex offender profiles by providing new construction of mental health treatment and support space immediately adjacent to the Living Unit. The programmatic and physical plant needs for this program are being reevaluated and until such time as a determination of need is made, the project is being terminated. A 20-day letter was sent to the Legislature on January 25, 2002. Approval of this item is contingent upon expiration of the 20-day waiting period.

Funding and Project Cost Verification

This project is within costs. Due to the decision to terminate the project, the entire appropriation of \$147,000 is available for reversion.

\$147,000 total authorized project costs

\$147,000 proposed reversion

Staff Recommendation: **Approve termination of project and reversion contingent upon expiration of the 20-day notification period without comment by the Legislature.**

OTHER BUSINESS

REPORTABLES

To be presented at meeting.

Respectfully Approved,

JAMES E. TILTON
Administrative Secretary

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